

No. 11699

United States
Circuit Court of Appeals
For the Ninth Circuit

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Transcript of the Record

Upon Petition to Review a Decision of the Tax Court
of the United States

FILED

1931 JUN 19

PAUL P. O'BRIEN,
CLERK



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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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Appearances :

RAYMOND M. WANSLEY,
JOHN M. CRANSTON,
JAMES L. CHAPMAN,
For Taxpayer.

E. A. TONJES

R. C. WHITLEY

For Commissioner.

The Tax Court of the United States

Docket No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

DOCKET ENTRIES

1944

June 5—Petition received and filed. Taxpayer notified. Fee paid.

June 5—Copy of petition served on General Counsel.

July 20—Answer filed by General Counsel.

July 20—Request for hearing in Los Angeles filed by General Counsel.

July 25—Notice issued placing proceeding on Los Angeles, Cal. calendar. Service of answer and request made.

Aug. 7—Reply to answer filed by taxpayer. Copy served 8/8/44.

1945

Dec. 14—Hearing set Feb. 4, 1946, Los Angeles, California.

1946

Feb. 4-7—Hearing had before Judge Van Fossan on merits. Motion of respondent to amend answer denied. Motion of respondent to continue denied. Submitted. Deposition admitted. Stipulation of facts and stipulation as to taking deposition filed. Briefs due 3/24/46. Replies due 4/8/46.

Feb. 23—Transcript of hearing 2/4/46 filed.

Feb. 23—Transcript of hearing 2/7/46 filed.

Mar. 21—Brief filed by General Counsel.

Mar. 21—Brief filed by taxpayer. Copies received 3/25/46. Served 3/25/46.

Apr. 8—Reply brief filed by taxpayer. 4/9/46 served.

June 17—Notice of appearance of John M. Cranstons as counsel filed.

1947

Feb. 24—Findings of fact and opinion rendered, Judge Van Fossan. Decision will be entered under Rule 50. 2/25/46 copy served.

Mar. 28—Respondent's computation for entry of decision filed.

Mar. 31—Hearing set Apr. 30, 1947 on Rule 50, Washington, D. C.

Apr. 30—Hearing had before Judge Van Fossan on settlement under Rule 50. Decisions to be entered in accordance with respondent's computation.

May 1—Decision entered, Judge Murdock, Div. 3.

1947

June 20—Petition for review by U. S. Circuit Court of Appeals for the 9th Circuit, filed by taxpayer.

July 2—Proof of service filed.

July 7—Affidavit of service filed (2) of petition for review.

July 14—Statement of points to be relied upon with affidavit of service by mail filed by taxpayer.

July 14—Designation of portions of record, proceedings and evidence to be contained in record on review with affidavit of service by mail filed by taxpayer. [1*]

The Tax Court of the United States
Washington, D. C.

Docket No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

PETITION

The above named petitioner hereby petitions for a redetermination of the deficiency set forth by the

* Page numbering appearing at top of page of original certified Transcript of Record.

Commissioner of Internal Revenue in his notice of deficiency (Symbols LA:IT:90D:PB) dated March 10, 1944, and as a basis of this proceeding alleges as follows:

1. The petitioner is an individual with principal residence at 2668 Poinsettia Drive, San Diego, California. The return periods here involved were filed with the Collector for the Sixth District of California.

2. The notice of deficiency (a copy of which is attached and marked Exhibit A) was mailed to the petitioner on March 10, 1944.

3. The taxes in controversy are income taxes for the calendar year 1938 and in the amount of three hundred ten and 66/100 dollars (\$310.66), for the calendar year 1939 and in the [2] amount of five hundred twenty eight and 22/100 dollars (\$528.22), for the calendar year 1940 and in the amount of one thousand two hundred fifty one and 02/100 dollars (\$1,251.02) and for the calendar year 1941 and in the amount of four thousand eight hundred sixty three and 30/100 dollars (\$4,863.30).

4. The determination of tax set forth in the said notice of deficiency is based upon the following errors:

(a) The Commissioner erred in that the assessment and collection of the deficiencies determined for the calendar years 1938 and 1939 are barred by the provisions of Section 275(a) of the Internal Revenue Code and are not permitted by Section 275 (c) of the Internal Revenue Code.

(b) The Commissioner erred in including in gross income of the petitioner amounts, alleged to represent petitioner's community half of income within the meaning of Section 22(a) of the Internal Revenue Code received for services of petitioner as a result of the purchase of Consolidated Aircraft Corporation stock from R. H. Fleet by petitioner at less than its fair market value, as follows:

For the Calendar Year 1938—\$3,826.88

For the Calendar Year 1939—\$5,367.19

For the Calendar Year 1940—\$3,937.50

For the Calendar Year 1941—\$7,500.00

5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

(a) The petitioner filed his return for the calendar year 1938 on or before March 15, 1939. His return for the calendar year 1939 was filed on or before March 15, 1940.

(b) The petitioner did not omit from the gross income stated in his returns for the calendar years 1938 and 1939 amounts properly includible therein which are in excess of 25 per centum of the amounts of gross income stated in said returns.

(c) The petitioner was employed on December 10, 1934 by Consolidated Aircraft Corporation as Works Manager at a salary of \$7,500.00 per annum. This salary was in excess of any salary that had previously been paid by said Corporation to Employees holding said position.

(d) R. H. Fleet was President of Consolidated Aircraft Corporation and was its majority stockholder from December 10, 1934 to December 31, 1941.

(e) On December 10, 1934, R. H. Fleet wrote a letter to petitioner offering to sell, at a price of \$5.00 per share, 50 shares of said R. H. Fleet's personally owned common stock of Consolidated Aircraft Corporation to petitioners each month, so long as petitioner was retained in said company's employ. Under the terms of said offer, petitioner was not obligated to purchase said stock. Said R. H. Fleet received no consideration from petitioner for said offer.

(f) The price at which said R. H. Fleet offered to sell said stock to petitioner was a fair and reasonable price in view of the prices at which said stock had sold during 1933 and 1934 and in view of general business conditions at December 10, 1934. [4]

(g) Petitioner purchased common stock of said Consolidated Aircraft Corporation from said R. H. Fleet under the terms of said offer as follows:

Market Value			
Years	Shares	When Purchased	Cost
1938	600	\$10,653.75	\$3,000.00
1939	750	14,484.38	3,750.00
1940	400	9,875.00	2,000.00
1941	600	18,000.00	3,000.00

(h) The sale of said stock at \$5.00 per share allowed said R. H. Fleet to dispose of said stock at a

substantial profit and in a manner which did not disturb the market price thereof on the stock exchange.

(i) No contract of employment or employer-employee relationship existed between petitioner and said R. H. Fleet at any time from December 10, 1934 to December 31, 1941, or at any other time. Petitioner performed no services for said R. H. Fleet and received no compensation of any kind or in any guise from him at any time. At all times from December 10, 1934 to December 31, 1941, petitioner was the employee of said Consolidated Aircraft Corporation, and of no one else.

(j) Said R. H. Fleet took no deduction from gross income, as an ordinary and necessary expense, of the difference between the fair market value of said stock and the sale price of said stock to petitioner upon his income tax returns for the taxable years, 1938, 1939, 1940 or 1941. [5]

Wherefore, the petitioner prays that this court may hear the proceeding and redetermine the petitioner's liability for income taxes for the calendar years 1938, 1939, 1940 and 1941.

/s/ RAYMOND M. WANSLEY
Certified Public Accountant,
Counsel for Petitioner. [6]

State of California,
County of San Diego—ss.

C. A. Van Dusen, being duly sworn, says that he is the petitioner above named;

That he has read the foregoing petition, or had

the same read to him, and is familiar with the statements contained therein, and that the statements contained therein are true, except those stated to be upon information and belief, and that those he believes to be true.

/s/ C. A. VAN DUSEN

Subscribed and sworn to before me this 31st day of May, 1944.

[Seal] /s/ R. N. CHAMBERLIN

Notary Public in and for the State and County aforesaid.

My commission expires Nov. 25, 1945.

EXHIBIT A

Treasury Department, Internal Revenue Service,
417 South Hill Street, Los Angeles 13, California,
March 10, 1944.

LA:IT:

90D:PB

Mr. C. A. Van Dusen,
2668 Poinsettia Drive
San Diego, California

Dear Mr. Van Dusen:

You are advised that the determination of your income tax liability for the taxable years ended December 31, 1938 to 1941, inclusive, discloses a deficiency of \$6,953.20, as shown in the statement attached.

In accordance with the provisions of existing internal revenue laws, notice is hereby given of the deficiency or deficiencies mentioned.

Within 90 days (not counting Sunday or a legal holiday in the District of Columbia as the 90th day) from the date of the mailing of this letter, you may file a petition with the Tax Court of the United States, at its principal address, Washington, D. C., for a redetermination of the deficiency or deficiencies.

Should you not desire to file a petition, you are requested to execute the enclosed form and forward it to the Internal Revenue Agent in Charge, Los Angeles, California, for the attention of LA:Conf. The signing and filing of this form will expedite the closing of your return(s) by permitting an early assessment of the deficiency or deficiencies, and will prevent the accumulation of interest, since the interest period terminates 30 days after filing the form, or on the date assessment is made, whichever is earlier.

Very truly yours,

JOSEPH D. NUNAN, Jr.,
Commissioner,

By GEORGE D. MARTIN,
Internal Revenue Agent
in Charge.

Enclosures:

Statement

Form of waiver. [8]

Statement

Tax Liability for the Taxable Years Ended

December 31, 1938 to 1941, inclusive

Income Tax

Year	Liability	Assessed	Deficiency
1938.....	\$ 424.09	\$ 113.43	\$ 310.66
1939.....	748.96	220.74	528.22
1940.....	3,431.04	2,180.02	1,251.02
1941.....	27,245.90	22,382.60	4,863.30
<hr/>			
Total	\$31,849.99	\$24,896.79	\$6,953.20

In making this determination of your income tax liability, careful consideration has been given to the report of examination dated January 19, 1944.

Adjustments to Net Income

Taxable Year Ended December 31, 1938

Net income as disclosed by return.....	\$3,400.39
Additional income and unallowable deductions:	
(a) Compensation for services.....	\$4,576.88
(b) Dividends received.....	300.00
(c) Rental loss disallowed.....	440.73
(d) Short-term capital loss disallowed..	147.27
(e) "Other deductions" disallowed.....	90.00
<hr/>	
Net income adjusted.....	\$8,955.27

Explanation of Adjustments

(a) This represents your community half of income within the meaning of section 22(a) of the

Revenue Act of 1938, received as compensation for services, as follows:

1. Received from Aero Industries Technical Institute, Inc. (this income was reported in an amended return)	\$750.00
2. Received as a result of the purchase of Consolidated Aircraft Corporation stock from Mr. R. H. Fleet at less than its fair market value (this amount of income omitted from your return is in excess of 25 per centum of the amount of gross income stated in your return).....	3,826.88
Total	<hr/> \$4,576.88

(b) Dividends received from Consolidated Aircraft Corporation amounted to \$4,844.00, of which your community half is \$2,422.00. Since you reported \$2,122.00 dividends received from this corporation, the amount of \$300.00 is added to income.

(c) The loss from rental property at Baltimore is disallowed to the extent of \$440.73 as to your half interest due to an excessive deduction for depreciation.

(d) The deduction of \$147.27 for your community half of loss from final disposition of Counter Thrust Square Shear venture is disallowed as being a short-term capital loss, not deductible since no short-term capital gain was reported.

(e) Your community half of the deduction of \$180.00 for two months rental of personal residence while absent on business is disallowed as representing a personal expense.

Computation of Tax
Taxable Year Ended December 31, 1938

Net Income Adjusted.....		\$8,955.27
Less: Personal exemption.....	\$1,050.00	
Credit for dependents	400.00	1,450.00
		<hr/>
Balance (surtax net income).....		\$7,505.27
Less: Earned income credit (10% of \$7,846.37) ..		784.64
		<hr/>
Net income subject to normal tax.....		\$6,720.63
Normal tax at 4% on.....	\$6,720.63	\$268.83
Surtax on	7,505.27	155.26
		<hr/>
Total income tax.....		\$ 424.09
Correct income tax liability.....		\$ 424.09
Income tax assessed:		
Original, account No. 844466.....	\$ 64.94	
Amended, account No. 200507,		
Feb., 1940	27.00	
Deficiency, account No. 510553,		
Aug. 23, 1940.....	21.49	
		<hr/>
Total income tax assessed.....		\$ 113.43
		<hr/>
Deficiency of income tax.....		\$ 310.66

Adjustments to Net Income
Taxable Year Ended December 31, 1939

Net income as disclosed by return.....	\$6,536.06
Additional income and unallowable deductions:	
(a) Compensation for services.....	\$5,367.19
(b) Depreciation disallowed	440.73
	<hr/>
Net income adjusted.....	\$12,343.98

Explanation of Adjustments

(a) This represents your community half of in-

come within the meaning of section 22(a) of the Internal Revenue Code, received as compensation for services as a result of the purchase of Consolidated Aircraft Corporation stock from Mr. R. H. Fleet at less than its fair market value.

This amount of income omitted from your return is in excess of 25 per centum of the amount of gross income stated in your return.

(b) The loss from rental property at Baltimore is disallowed to the extent of \$440.73 as to your half interest due to an excessive deduction for depreciation.

Computation of Tax

Taxable Year Ended December 31, 1939

Net Income Adjusted.....		\$12,343.98
Less: Personal exemption.....	\$1,050.00	
Credit for dependents	400.00	1,450.00
		<hr/>
Balance (surtax net income).....		\$10,893.98
Less: Earned income credit.....		1,234.40
		<hr/>
Net income subject to normal tax.....		\$ 9,659.58
Normal tax at 4% on.....	\$ 9,659.58	\$386.38
Surtax on	10,893.98	362.58
		<hr/>
Total income tax.....		\$ 748.96
Correct income tax liability.....		\$ 748.96
Income tax assessed: Original, account No. 265861		220.74
		<hr/>
Deficiency of income tax		\$ 528.22

Adjustments to Net Income
Taxable Year Ended December 31, 1940

Net income as disclosed by return.....	\$18,503.10
Additional income and unallowable deductions:	
(a) Compensation for services	\$3,937.50
(b) Dividends received.....	87.00
(c) Depreciation disallowed	440.73
	<hr/>
Net income adjusted	\$22,968.33

Explanation of Adjustments

(a) This represents your community half of income within the meaning of section 22(a) of the Internal Revenue Code, received as compensation for services as a result of the purchase of Consolidated Aircraft Corporation stock from Mr. R. H. Fleet at less than its fair market value.

(b) The amount of \$87.00 is added to dividends received, since you reported your community half of dividends as \$7,735.00 whereas the correct amount is \$7,822.00, as follows:

Consolidated Aircraft Corporation....	\$12,944.00
Aero Industries Technical Institute, Inc.	2,700.00
Total	\$15,644.00
Your community half.....	\$ 7,822.00

(c) The loss from rental property at Baltimore is disallowed to the extent of \$440.73 as to your half interest due to an excessive deduction for depreciation.

Computation of Tax
Taxable Year Ended December 31, 1940

Net Income Adjusted.....		\$22,968.33
Less: Personal exemption.....	\$800.00	
Credit for dependents.....	400.00	1,200.00
		<hr/>
Balance (surtax net income).....		\$21,768.33
Less: Earned income credit.....		1,400.00
		<hr/>
Net income subject to normal tax.....		\$20,368.33
Normal tax at 4% on.....	\$20,368.33	\$ 814.73
Surtax on.....	21,768.33	2,304.40
		<hr/>
Total normal tax and surtax.....		\$ 3,119.13
Defense tax (10% of \$3,119.13).....		311.91
		<hr/>
Total income tax.....		\$ 3,431.04
Correct income tax liability		\$ 3,431.04
Income tax assessed: Original, account No. 202467		2,180.02
		<hr/>
Deficiency of income tax.....		\$ 1,251.02

Adjustments to Net Income
Taxable Year Ended December 31, 1941

Net income as disclosed by return.....		\$57,962.05
Additional income and unallowable deductions:		
(a) Compensation for services.....	\$7,500.00	
(b) Depreciation disallowed.....	440.73	
(c) Net long-term capital gain.....	200.00	8,140.73
		<hr/>
Net income adjusted.....		\$66,102.78

Explanation of Adjustments

(a) This represents your community half of income within the meaning of section 22(a) of the Internal Revenue Code, received as compensation

for services as a result of the purchase of Consolidated Aircraft Corporation stock from Mr. R. H. Fleet at less than its fair market value.

(b) The loss from rental property at Baltimore is disallowed to the extent of \$440.73 as to your half interest due to an excessive deduction for depreciation.

(c) The sale price of 400 shares of Consolidated Aircraft Corporation stock sold on December 22, 1941 is understated \$400.00 as to your community half, resulting in an understatement of your long-term capital gain in the amount of \$200.00.

Computation of Alternative Tax

Taxable Year Ended December 31, 1941

Net income adjusted.....		\$66,102.78
Minus: Net long-term capital gain.....		10,713.85
		<hr/>
Ordinary net income.....		\$55,388.93
Less: Personal exemption.....	\$550.00	
Credit for dependents.....	400.00	950.00
		<hr/>
Balance (surtax net income)		\$54,438.93
Less: Earned income credit		1,400.00
		<hr/>
Net income subject to normal tax		\$53,038.93
Normal tax at 4% on.....	\$53,038.93	\$ 2,121.56
Surtax on.....	54,438.93	21,910.18
		<hr/>
Partial tax		\$24,031.74
Plus: 30% of net long-term capital gain.....		3,214.16
		<hr/>
Alternative tax		\$27,245.90

Computation of Tax
Taxable Year Ended December 31, 1941

Net income Adjusted.....		\$66,102.78
Less: Personal exemption	\$550.00	
Credit for dependents	400.00	950.00
		<hr/>
Balance (surtax net income)		\$65,152.78
Less: Earned income credit		1,400.00
		<hr/>
Net income subject to normal tax		\$63,752.78
Normal tax at 4% on.....	\$63,752.78	\$ 2,550.11
Surtax on.....	65,152.78	28,120.14
		<hr/>
Total		\$30,670.25
Alternative tax		\$27,245.90
Total income tax.....		\$27,245.90
Correct income tax liability		\$27,245.90
Income tax assessed: Original, account No. 948486		22,382.60
		<hr/>
Deficiency of income tax.....		\$ 4,863.30

[Endorsed]: Filed June 5, 1944.

[Title of Tax Court and Cause.]

ANSWER

The Commissioner of Internal Revenue, by his attorney, J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, for answer to the petition of the above-named taxpayer, admits, denies and alleges as follows:

1 and 2. Admits the allegations contained in paragraphs 1 and 2 of the petition.

3. Admits that the taxes in controversy are income taxes for the calendar years 1938, 1939, 1940

and 1941; denies the remainder of the allegations contained in paragraph 3 of the petition.

4. Denies the allegations of error contained in subparagraphs (a) and (b) of paragraph 4 of the petition. [15]

5. (a) Denies that the petitioner filed his income tax return for the calendar year 1938 on or before March 15, 1939, and alleges that the said return was filed on March 23, 1939. Admits that the petitioner's income tax return for the calendar year 1939 was filed on March 15, 1940; denies the remaining allegations contained in subparagraph (a) of paragraph 5 of the petition.

(b) Denies the allegations contained in subparagraph (b) of paragraph 5 of the petition.

(c) Admits that the petitioner was employed on December 10, 1934, by Consolidated Aircraft Corporation. Denies the remainder of the allegations contained in subparagraph (c) of paragraph 5 of the petition.

(d) to (f), inclusive. Denies the allegations contained in subparagraphs (d) to (f), inclusive, of paragraph 5 of the petition.

(g) Admits that the petitioner purchased common stock of Consolidated Aircraft Corporation from R. H. Fleet during the years 1938, 1939, 1940 and 1941, in the number of shares and at the cost set forth in subparagraph (g) of paragraph 5 of the petition. Respondent further admits that the stock purchased by the petitioner during the said

years had a market value when purchased as set forth in subparagraph (g) of paragraph 5 of the petition. [16] Denies the remainder of the allegations contained in subparagraph (g) of paragraph 5 of the petition.

(h) to (j), inclusive. Denies the allegations contained in subparagraphs (h) to (j), inclusive, of paragraph 5 of the petition.

6. Denies each and every allegation contained in the petition not hereinbefore specifically admitted or denied.

Further answering, respondent alleges:

7. That the petitioner realized taxable income during the year 1938, as compensation for services, which was not reported in his income tax return for the year 1938, in the amount of \$4,576.88. The said amount is determined as follows:

Received from Aero Industries	
Technical Institute, Inc.....	\$1,500.00
Received as a result of the acquisition	
of Consolidated Aircraft Corpora-	
tion stock	7,653.75
	<hr/>
Total	\$9,153.75
Petitioner's community one-half.....	\$4,576.88

8. That the said sum of \$4,576.88 constitutes gross income of the petitioner and is in excess of 25 per centum of the amount of gross income stated in the return of the petitioner for the year 1938.

9. That the petitioner realized taxable income during the year 1939, as compensation for services, which was not reported in his income tax return for the year 1939, in the amount of [17] \$5,367.19. The said amount is determined as follows:

Received as a result of the acquisition of Consolidated Aircraft Corpora- tion stock	\$10,734.38
Petitioner's community one-half.....	5,367.19

10. That the said sum of \$5,367.19 constitutes gross income of the petitioner and is in excess of 25 per centum of the amount of gross income stated in the return of the petitioner for the year 1939.

Wherefore, it is prayed that the determination of the Commissioner be approved.

/s/ J. P. WENCHEL, ECC
Chief Counsel,
Bureau of Internal Revenue.

Of Counsel:

B. H. Neblett,
Division Counsel.

Earl C. Crouter,
E. A. Tonjes,
Special Attorneys,
Bureau of Internal Revenue.

EAT/vc/ 7/12/44

[Endorsed]: Received and filed July 20, 1944.

[Title of Tax Court and Cause.]

REPLY

The petitioner by his counsel, Raymond M. Wansley, for reply to the answer of the Commissioner of Internal Revenue, admits, denies and alleges as follows:

7. Denies the allegations contained in paragraph 7 of the Commissioner's answer.

8. Denies the allegations contained in paragraph 8 of the Commissioner's answer.

9. Denies the allegations contained in paragraph 9 of the Commissioner's answer.

10. Denies the allegations contained in paragraph 10 of the Commissioner's answer.

11. Denies each and every allegation contained in Commissioner's answer not hereinbefore specifically admitted or denied.

Wherefore, the petitioner prays that this Court may hear the proceeding and redetermine the petitioner's liability [19] for income taxes for the calendar years 1938, 1939, 1940 and 1941.

Respectfully submitted,

/s/ RAYMOND M. WANSLEY,
Counsel for Petitioner.

[Endorsed]: Received and filed Aug. 7, 1944.

The Tax Court of the United States
Washington, D. C.

Docket No. 5210

WANDA V. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Docket No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

STIPULATION OF FACTS

It is hereby stipulated by and between Wanda V. Van Dusen and C. A. Van Dusen, Petitioners, and the Commissioner of Internal Revenue, Respondent, by their respective attorneys, that the following facts shall be taken as true, provided, however, that this stipulation shall be without prejudice to the right of either party to introduce other and further evidence not at variance with the facts herein stipulated:

1. C. A. Van Dusen and Wanda V. Van Dusen were husband and [21] wife, and were residents of

the State of California throughout each of the years 1938, 1939, 1940 and 1941.

2. On December 10, 1934, C. A. Van Dusen entered the employ of Consolidated Aircraft Corporation as Factory Manager at a salary of \$9000 per annum, pursuant to an oral agreement entered into on December 7, 1934.

3. C. A. Van Dusen received salary from Consolidated Aircraft Corporation as follows:

Year	Salary
1938	\$15,205.04*
1939	16,020.08
1940	22,442.50
1941	31,255.00

*\$8600.01 of his salary for 1938 was exempt from taxation because received for foreign service.

4. C. A. Van Dusen and Wanda V. Van Dusen filed separate Income Tax Returns for the calendar years 1938, 1939, 1940 and 1941. Attached hereto are the said returns filed by the said individuals for the said years marked Exhibits A to H.

5. On December 7, 1934, R. H. Fleet gave to C. A. Van Dusen an oral option for the purchase of stock of Consolidated Aircraft Corporation, which option was reduced to writing on December 10, 1934, and was terminated by written agreement on December 31, 1941, said written option and termination being in the following words and figures:

Consolidated Aircraft Corporation
Buffalo, New York

R. H. Fleet
President

December 10, 1934

Mr. Charles A. Van Dusen (Confidential)

Dear Van:

In connection with your employment this day by our company, it gives me much pleasure to confirm my offer to sell you fifty (50) shares of my personal common stock in this corporation at the price of \$5 net per share each and every month for the next ten years (unless I die or cease to be an employee of Consolidated, in which event this is modified against me or my estate to five years from this date), this right to hold, however, only so long as you are retained in the company's employ.

You are under no obligation to purchase or to hold after purchase, any such stock under this offer; failing to purchase any month you forfeit nothing but the right to buy that month's quota of 50 shares.

So that you may get prompt delivery of any shares you purchase hereunder, I will leave sufficient of my shares, in street names, properly endorsed, with the Treasurer of the company to fulfill this agreement.

Until I further advise, would prefer that if

you sell you do so only to or thru our brokers,
Hammons & Company, 120 Broadway, New
York City (phone Rector 2-4400).

Cordially,

/s/ R. H. FLEET.

RHF-B

It is mutually agreed that the foregoing
agreement is to terminate on December 31, 1941.

Dated: San Diego, Cal., December 15, 1941.

/s/ R H. FLEET.

/s/ CHARLES A. VAN DUSEN.

6. On December 7, 1934, the common stock of Consolidated Aircraft Corporation sold on the New York Curb Exchange for a high of $9\frac{1}{2}$, and a low of $8\frac{7}{8}$.

7. The price ranges of the common stock of Consolidated Aircraft Corporation on the New York Curb Exchange for the years 1932, 1933, and 1934 were as follows:

1932	High	$4\frac{3}{4}$	Low	1
1933	High	12	Low	1
1934	High	$12\frac{7}{8}$	Low	$6\frac{3}{8}$

8. The common stock of Consolidated Aircraft Corporation had a par value of one dollar per share, and a book value of \$3.55 per share at December 7, 1934.

9. There were 574,400 shares of the common

stock of Consolidated Aircraft Corporation outstanding on December 7, 1934, and R. H. Fleet owned 261,481 shares of the common stock of Consolidated Aircraft Corporation on that date.

10. The total number of shares of common and preferred stock outstanding on January 1, 1938, and December 31, 1938, December 1, 1939, December 1, 1940, and December 31, 1941, and the highest number of said shares owned by R. H. Fleet during the years 1938, 1939, 1940 and 1941, were as follows:

Capital Stock

Outstanding	Preferred	Common
January 1, 1938	23,708 shares	574,760
December 31, 1938	23,820	574,760
December 31, 1939	23,820	576,160
December 31, 1940	23,820	578,605
December 31, 1941	None	1,284,244

During the year 1941 514 shares of preferred stock were retired at \$55 per share and 23,306 shares were converted into common at rate of two shares common for each share of preferred. [24]

The stock owned by R. H. Fleet was as follows:

	Preferred	Common
1938	6,000	164,841
1939	6,010	164,241
1940	6,010	162,791
1941	6,010	348,822

11. C. A. Van Dusen purchased common stock of Consolidated Aircraft Corporation from R. H. Fleet, under the terms of the agreement set forth in paragraph 5 above, as follows:

Years	Shares	Market Value	
		When Purchased	Cost
1938	600	\$10,653.75	\$3,000.00
1939	750	14,484.38	3,750.00
1940	400	9,875.00	2,000.00
1941	600	18,000.00	3,000.00

12. At all times from December 7, 1934, to December 31, 1941, C. A. Van Dusen was the employee of said Consolidated Aircraft Corporation.

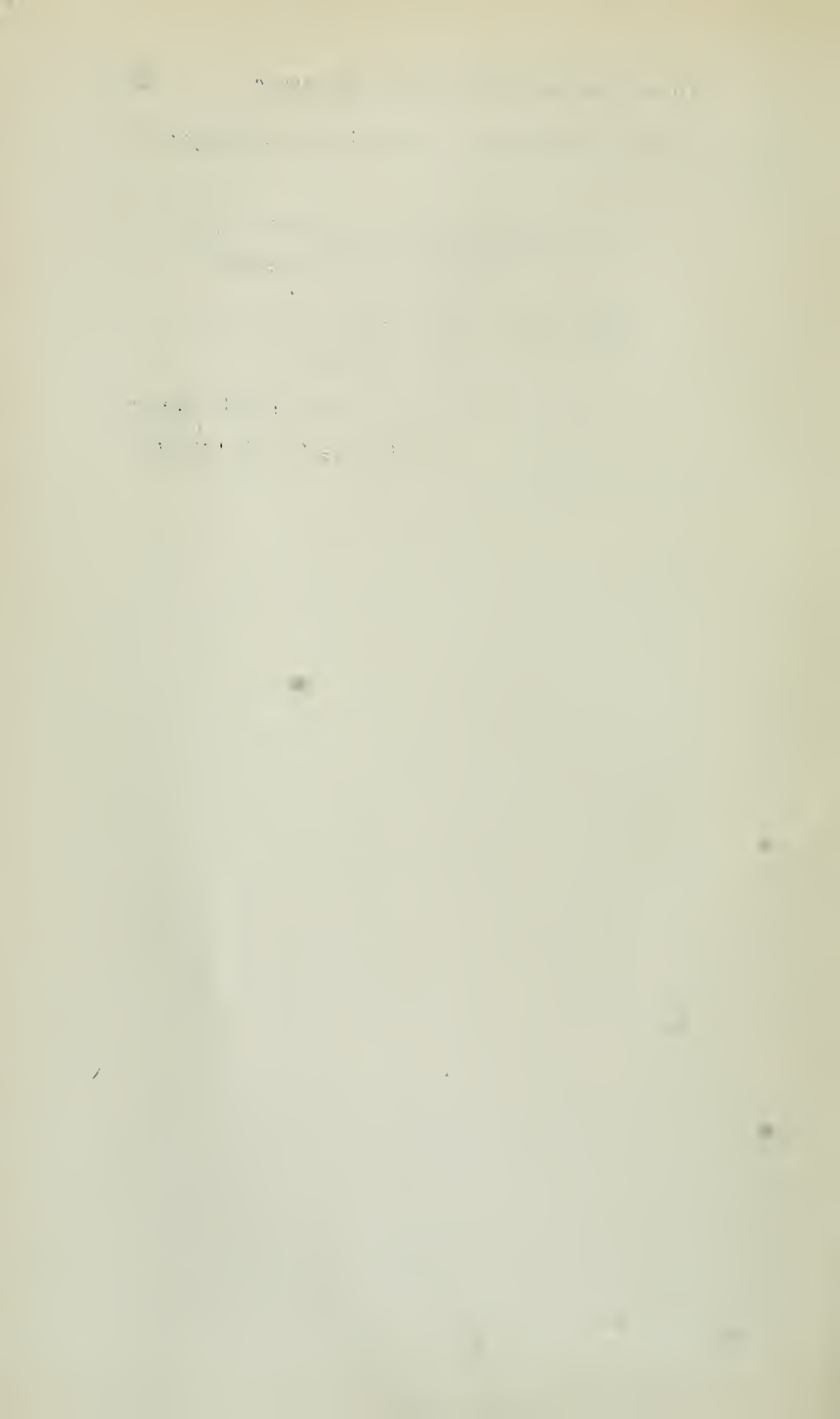
13. R. H. Fleet claimed no deductions from gross income in his returns for the calendar years 1938, 1939, 1940 and 1941 for the difference between the fair market value of the common stock of Consolidated Aircraft Corporation and the sale price of said common stock to said C. A. Van Dusen, but reported as income in his returns for said years the difference between the basis of said stock to R. H. Fleet and the sum of \$5 per share received upon said sales to C. A. Van Dusen.

14. Consolidated Aircraft Corporation claimed upon its returns as deductions from gross income for the years 1938, 1939, 1940 and 1941 only the salary paid by it to C. A. Van Dusen for those years as set forth in paragraph 4 above and did not claim any deduction [26] with regard to the sales of its

stock to R. H. Fleet to C. A. Van Dusen during said years.

/s/ RAYMOND M. WANSLEY,
Counsel for Petitioner.

/s/ J. P. WENCHEL, ECC
Chief Counsel,
Bureau of Internal Revenue,
Counsel for Respondent.



28

Treasury Department

FIELD FORM 1940

UNITED STATES

Internal Revenue Service

Page 1

1938 INDIVIDUAL INCOME TAX RETURN 1938

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1938

or fiscal year beginning 1938, and ended 1939

(Before Preparing This Return, Read the Instructions Carefully)

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY (See Instruction E)

C. A. Van Dusen

(Name) (Use joint names of both husband and wife, if a joint return)

3738 Amaryllis Drive

(Street and number, or rural route)

San Diego

San Diego California

(Post office)

(County)

(State)

(Do not use these spaces)

File Code

2942

Serial No.

844466

Dist.

6-Calif

RECEIVED

WANDA VANDUSEN

MAR 23 1939

COLL. INT. REV.

LOS ANGELES, CAL.

Cash—Check—M.O.

First Payment

65.27

Item and Schedule No.

1. Salaries and other compensation for personal services. (From Schedule C)
2. Dividends
3. Interest on bank deposits, notes, mortgages, etc.
4. Interest on corporation bonds
5. Taxable interest on Government obligations, etc. (From Schedule C)
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than S-corporation gains or losses). (Partners names and addresses)

7. Income from fiduciaries. (Partners names and addresses)

8. Rents and royalties. (From Schedule C)

9. Income (or loss) from business or profession. (From Schedule D)

10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule C)

11. Other income (including income from annuities). (State nature; use separate schedule if necessary)

12. Total income in items 1 to 11. (Enter net taxable income in Schedule I)

DEDUCTIONS 1/2 of total income to wife

Wanda V. Van Dusen

13. Contributions paid. (Explain in Schedule H)

14. Interest. (Explain in Schedule H)

15. Taxes. (Explain in Schedule H)

16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)

17. Bad debts. (Explain in Schedule H)

18. Other deductions authorized by law. (Explain in Schedule H)

19. Total deductions in items 13 to 18

20. Net income (item 12 minus item 19)

Net income to wife, Wanda V. Van Dusen

COMPUTATION OF TAX

21. Net income (item 20 above) \$ 3,400 39

22. Less: Personal exemption. \$ 1050 00

23. Credit for dependents. \$ 400 00

24. Balance (surplus net income) \$ 1,950 39

25. Less: Income tax on Corporation dividends, etc. (See Instructions 23) \$

26. Earned income credit. \$ 326 95

27. Balance subject to normal tax \$ 1,623 44

28. Normal tax (4% of item 27) \$ 64 94

29. Surplus on item 24. (See Instruction 29) \$

30. Total (item 28 plus item 29) \$ 64 94

31. Total tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F) \$ 64 94

32. Less: Income tax paid at source \$ 23 23

33. Amounts that paid to a foreign country or U.S. possession. (Attach Form 114) \$

34. Balance of tax (item 31 minus items 32 and 33) \$ 64 94

NOTE—One form marked "DUPLICATE COPY" must be filed with this original return (It will be assessed if duplicate copy is not filed)

EX. A.

Int. 1-1774 339



Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (deductions)	4. Amount
Consolidated Aircraft Corporation Lindbergh Field, San Diego, Calif.		Less: Salary earned while employed outside of United States from 1/15/38 to 8/15/38 (7 mos.)	8,600 01
GROSS SALARY	15,205 04	Less: 1% California unemployment insurance tax on \$8,605.08	66 05
Total of column 2 minus total of column 4 (enter as item 1, page 1)			6,538 98

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See instruction 3)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	00
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	00
(c) Obligations of United States issued on or before September 1, 1917			All	00
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	00
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (g) above)			None	
(g) Total (enter on line 3, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See instruction 5)

1. Kind of property	2. Amount	3. Depreciation (applied in Schedule E)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (subtract 3, 4, and 5 from 2; enter on line 6, page 3)
Royalties from Counter Thrust Square Shear	\$ 601 33	\$ -	\$ -	\$ -	\$ 601 33
Dwelling house at 107 Upror Road, Baltimore, Md.	-	1,425 00	(2) 75 00	(1) 26 50	1,626 50
Total					925 17

Explanation of deductions claimed in columns 4 and 5: (1) Roland Park maintenance tax (2) Repairs - relating

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See instruction 9)

1. Total receipts (state nature of business or profession)	2. Final disposition of Counter Thrust Square Shear venture	3. Total deductions	4. Net profit (or loss)
COST OF GOODS SOLD		OTHER BUSINESS DEDUCTIONS	
2. Labor	\$ 156 20	10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$
3. Material and supplies	39 85	11. Interest on business indebtedness	
4. Merchandise bought for sale		12. Taxes on business and business property	
5. Other costs (explain below)	121 01	13. Losses (explain below)	
6. Plus inventory at beginning of year	1,301 47	14. Bad debts arising from sales or services	
Total (lines 2 to 6)	\$ 1,618 53	15. Depreciation, obsolescence, and depletion (explain in Schedule E)	
7. Less inventory at end of year		16. Rent, repairs, and other expenses (explain below or on separate sheet)	
8. Net cost of goods sold (line 7 minus line 6)	\$ 1,618 53	17. Total (line 10 to 16)	\$
Enter "C," or "C," or "M," on lines 8 and 9 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		18. Total deductions (line 9 plus line 17)	1,618 53
		19. Net profit (or loss) (line 1 minus line 18) (enter on line 9, page 1)	\$ 294 54

Explanation of deductions claimed in lines 5, 13, and 16: Legal fees - \$100; stenographic fees - \$20; and electric power - \$1.01

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if building, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated to zero at end of year	5. Depreciation allowed for allowance in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated life from beginning of year	9. Depreciation allowable this year
Dwelling house at		\$	\$	\$	\$			\$
107 Upror Road,								
Baltimore, Md.	1930	28,500 00	-	4,275 00	24,225 00	20	16	1,425 00



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See instruction 10)

1. Kind of property (if summary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 6 and 7)	9. Fair market value	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

Irving Trust stock - 100 shares	12/6/35	1/7/38	1,171.00	1,875.00				70\$ 40	50
									50
									50
									50
Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)									\$ 361.70

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net gain or loss to be taken into account from columns 10, above	3. Net gain or loss to be taken into account from partnerships and common trust funds	4. Total net gain or loss to be taken into account in columns 2 and 3 of this summary
	Gain	Loss	Gain
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 4)	\$	\$	\$
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 4)	\$	\$ 361.70	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX

(To be used only in the case of a net long-term capital gain or loss)

1. Net income (item 20, page 1)	\$ 3,400.39	10. Normal tax (4% of line 9)	\$ 77.9
2. (a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6 (See instruction 29)	
(b) Net long-term capital loss (item 10 (b), page 1)	175.85	12. Partial tax (line 10 plus line 11)	77.9
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b))	\$ 3,576.24	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$ 1050.00	(b) 30% of net long-term capital loss (30% of line 2 (b))	52.7
5. Credit for dependents. (From Schedule J-2)	400.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	25.2
6. Balance (surtax net income)	\$ 2,126.24	15. Total normal tax and surtax (item 30, page 1)	64.9
7. Less: Interest on Government obligations, etc. (See instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	64.9
8. Earned income credit. (From Schedule K-1 or K-2)	328.95		
9. Balance subject to normal tax	\$ 1,797.29		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS
(See instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$

Total net gain (or loss) (enter as item 10 (c), page 1)

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Item 13.—Taxes: California automobile tax (1936) \$13.35; stamp tax on stock transfers, \$12.15; California personal income tax accrued in 1936, \$45.10; Federal tax on club dues: Luyamaca Club, \$3.60; Bankers' Club, \$1.15, and La Colita Country Club, \$1.60; and Luyamaca Division tax on theater tickets, \$2.50; total \$85.45.

See accompanying schedule H for items 13, 14, 17, and 18.

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 12)

1. Source of income	2. Nature of income	3. Amount
		\$.

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(A) Personal Exemptions			(B) Credit for Dependents		
Name	Number of months during the year in each status	Credits claimed	Name of dependent and relationship	Number of months during the year	Credits claimed
				Under 14 years old	Over 14 years old
Single, or married and not living with husband or wife		\$.	Mrs. M. F. Van Dusen—		\$.
Married and living with husband or wife	12	1,050.00	mother	12	400.00
Head of family (explain below)					
\$1,450 - balance of personal exemption claimed by wife, Mrs. Wanda Y. Van Dusen			Reason for support if over 18 years old		

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(A) If your net income is \$3,000 or less, use only this part of schedule.		(B) If your net income is more than \$3,000, use only this part of schedule.	
Net income (Item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$ 3,269.49
Earned income credit (10% of net income, above)		Net income (Item 20, page 1)	3,400.99
		Earned income credit (10% of earned net income or net income, above, whichever amount is smaller, but do not enter less than \$300)	326.95

QUESTIONS

1. State your principal occupation or profession Executive
2. Check whether you are a citizen ☒ or a resident alien ☐.
3. If you filed a return for the preceding year, to which Collector's office was it sent? Los Angeles, Calif.
4. Are items of income or deductions of both husband and wife included in this return? (See Instruction A.) No
5. State name of husband or wife if a separate return was made; personal occupation, if any, claimed thereon; and the Collector's

office to which it was sent Mrs. Wanda Y. Van Dusen
personal exemption \$1,450, Los Angeles, Calif.
 6. Check whether this return was prepared on the cash ☐ or
 accrual ☐ basis. Accrual for business
 7. Did you at any time during your taxable year own directly or
 indirectly any stock of a foreign corporation or a personal hold-
 ing company as defined by section 402? (Answer "yes" or
 "no") No (If answer is "yes," attach schedule
 required by Instruction M.)

AFFIDAVIT. (See Instruction F)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1936 and the regulations issued under authority thereof.

Subscribed and sworn to by C. Van Dusen
 before me this 22 day of March, 1937

(Signature and title of officer administering oath)
 A return made by or agent must be accompanied by power of attorney. (See Instruction F) (Date March 20, 1937)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction F)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

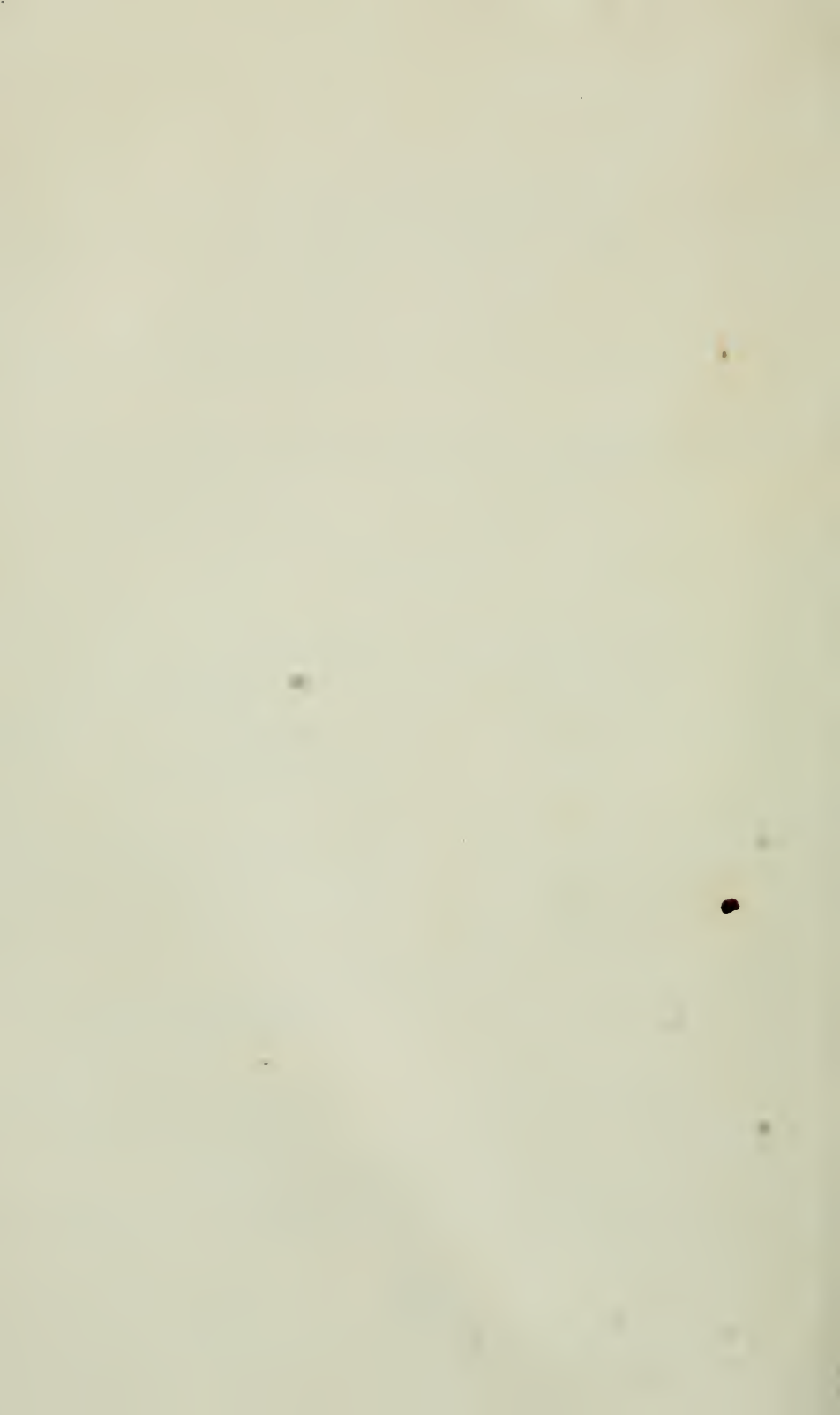
Subscribed and sworn to before me this _____ day
 of _____, 1937



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)



UNITED STATES
INDIVIDUAL INCOME TAX RETURN
YEAR 1938

C. A. Van Dusen And Wanda V. Van Dusen
3738 Amaryllis Drive, San Diego, California

SCHEDULE E
Explanation Of Deductions Claimed In Items 13, 14, 17, and 18

	<u>Total</u>	<u>C. A. Van Dusen</u>	<u>Wanda V. Van Dusen</u>
Item 13 - San Diego Community Chest	\$ 50.00	\$ 25.00	\$ 25.00
Item 14 - Interest paid:			
Bank of America, interest on note	\$ 874.99		
Baltimore National Bank, interest on mortgage	375.00		
Total	<u>\$1,249.99</u>	<u>\$ 624.99</u>	<u>\$ 625.00</u>
Item 17 - Bad debts:			
Uncollectible check for \$750.00 dated May 5, 1938, received from J. H. Luther of San Diego, California, in payment of an Oldsmobile coupe sold April 12, 1938	<u>\$ 750.00</u>	<u>\$ 375.00</u>	<u>\$ 375.00</u>
Item 18 - Other deductions authorized by law:			
Membership fee - Institute of Aeronautical Science	\$ 10.00		
Loss of two months rental on residence at 3211 Freeman Street, San Diego, California, vacated as a result of absence from the United States on business	180.00 <u>\$ 190.00</u>		
Total	<u>\$ 190.00</u>	<u>\$ 95.00</u>	<u>\$ 95.00</u>
Total	<u>\$2,239.99</u>	<u>\$1,119.99</u>	<u>\$1,120.00</u>



TREASURY DEPARTMENT
 INTERNAL REVENUE SERVICE
 939 South Broadway
 Los Angeles, California.

March 10, 1939.

In replying refer
to IT:LAL

C. A. VAN DUSEN,
 c/o Consolidated Aircraft Corporation,
 San Diego, California.

Sir:

Receipt is acknowledged of your application of recent
 date requesting, for the reasons therein given extension of time
 within which to file your return of income for the calendar year
 1938.

An extension of time to April 15, 1939, is hereby
 granted within which the above mentioned return may be filed and
 payment made of the installment of tax shown to be due thereon.

In all cases where an extension of time is granted
 interest shall be collected at the rate of one-half of one per
 cent a month upon each installment from the original due date
 thereof to the date of payment.

A copy of this letter must be attached to the return
 when it is filed as authority for the extension of time herein
 granted.

Respectfully,

Guy T. Helvering, COMMISSIONER

By

Nat Hogan
 COLLECTOR



UNITED STATES

Orig # 84741-15

1938 INDIVIDUAL INCOME TAX RETURN 1938

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1938

or fiscal year beginning 1938, and ended 1939

(Before Preparing This Return, Read the Instructions Carefully)

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY (See Instruction E)

A. 1928
R. C. A. Van Dusen

(Please) (Give given names of both husband and wife, & a joint return)

3625
AUG 13 4248 Amaryllis Drive

(Street and number, or rural route)

San Diego, California

(Post office)

(State)

510553

LIFE

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$ 8,538 98	✓
2. Dividends	4,244 00	
3. Interest on bank deposits, notes, mortgages, etc.		
4. Interest on Government obligations, etc.		
5. Taxable interest on Government obligations, etc.		
6. Income (or loss) from partnerships, syndicates, pools, etc. (Other than capital assets)		
7. Income from fiduciaries		
8. Rents and royalties. (From Schedule C)		
9. Income from business or profession. (From Schedule D)		
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)		
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)		
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)		
11. Other income (including income from annuities). (Check column and separate schedule if necessary)	1,500 00	
12. Total income in items 1 to 11. (Enter separately income in Schedule F)	\$ 10,711 81	✓
DEDUCTIONS of total income to wife, Wanda V. Van Dusen		
13. Contributions paid. (Explain in Schedule H)	\$ 28 00	
14. Interest. (Explain in Schedule H)	624 99	
15. Taxes. (Explain in Schedule H)	65 45	
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)		
17. Bad debts. (Explain in Schedule H)	578 00	
18. Other deductions authorized by law. (Explain in Schedule H)	96 00	
19. Total deductions in items 13 to 18	1,205 44	✓
20. Net income (Item 12 minus item 19)	\$ 4,150 39	✓

COMPUTATION OF TAX

21. Net income (Item 20 above)	\$ 4,150 39	✓
22. Less: Personal exemption. (From Schedule J-1)	\$ 1,050 00	✓
23. Credit for dependents. (From Schedule J-2)	400 00	✓
24. Balance (surplus net income)	\$ 2,700 39	✓
25. Less: Income on Government obligations, etc. (See Instructions 27)	\$ 0 00	
26. Earned income credit. (From Schedule K-1 or K-2)	401 95	✓
27. Balance subject to normal tax	\$ 2,298 44	✓
28. Normal tax (4% of item 27)	\$ 91 94	✓
29. Surtax on item 24. (See Instructions 30)		
30. Total (item 28 plus item 29)	\$ 91 94	✓
31. Total tax (item 30, or if you have a term capital gain or loss, enter line 14, Schedule F)	\$ 27 00	✓
32. Less: Income tax paid at source	\$ 28 42	✓
33. Income tax paid to a foreign country, or to a possession, territory, or the District of Columbia. (Attach Form 1116)		
34. Balance of tax (Item 31 minus items 32 and 33)	\$ 91 94	✓

NOTE—One form marked "DUPLICATE COPY" must be filed with the original return (It will be assessed if duplicate copy is not filed)



Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (deduct)	4. Amount
Consolidated Aircraft Corporation ; Lindbergh Field, San Diego, Calif.		Less: Salary earned while employed outside of United States from 1/15/38 to 8/15/39 (7 mos.)	8,600 01
Gross Salary	15,205 04	Less: 1. California unemployment insurance tax on 8,605.03	66 06
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$ 6,538 98

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

1. Obligations or securities	2. Amount owned at end of year or holding your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	*****
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	*****
(c) Obligations of United States issued on or before September 1, 1917			All	*****
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	*****
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 6)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (columns 2 minus sum of columns 3, 4, and 5) (enter as item 6, page 1)
Royalties from Counter Thrust Square Shear Dwelling house at 107 Upnor Road, Baltimore, Md.	\$ 601 33	\$	\$ (2) 75 00	\$ (1) 26 60	\$ 601 33
		1,425 00			1,526 50
					925 17

Explanation of deductions (1) Roland Park maintenance tax claimed in columns 4 and 5 (2) Repairs - painting

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

1. Total receipts (state nature of business or profession). Final disposition of Counter Thrust Square Shear venture		2. COST OF GOODS SOLD		3. OTHER BUSINESS DEDUCTIONS		4. Net profit (or loss) (line 1 minus line 3) (enter as item 9, page 1)
2. Labor	\$ 156 20	10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$	11. Interest on business indebtedness		
3. Material and supplies	39 85	12. Taxes on business and business property		13. Losses (explain below)		
4. Merchandise bought for sale		14/ Bad debts arising from sales or services		15. Depreciation, obsolescence, and depletion (explain in Schedule E)		
5. Other costs (itemize below)	121 01	16. Rep. repairs, and other expenses (itemize below or on separate sheet)		17. Total (lines 10 to 16)	\$	
6. Plus inventory at beginning of year	1,301 47	18. Total deductions (line 9 plus line 17)				1,618 53
7. Total (lines 2 to 6)	\$ 1,618 53	19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)				\$ 294 54
8. Less inventory at end of year						
9. Net cost of goods sold (line 7 minus line 8)	\$ 1,618 53					

Enter "C," or "C" or "M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 5, 13, and 16 Legal fees - \$100; stenographic fees - \$20; and electric power - \$1.01

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
Dwelling house at 107 Upnor Road, Baltimore, Md.	1930	28500 00	-	4275 00	24225 00	20	16	1425 00



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Page 3

1. Kind of property (if necessary attach statement of description; do not show below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvement's subsequent to acquisition or March 1, 1913 (explain in Schedule F)	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule F)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Description	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 12 MONTHS									
			\$	\$	\$	\$			\$
									100
									100
									100
									100
Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 12 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$			66 2/3
									66 2/3
									66 2/3
									66 2/3
Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)									\$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$			50
									50
									50
									50
Total net long-term capital gain or loss (enter in line 3, column 2, of summary below)									\$
									\$ 351 70

SUMMARY OF CAPITAL NET GAINS OR LOSSES									
1. Character	2. Net gain or loss to be taken into account from column 10, above		3. Net gain or loss to be taken into account from purchasing and "common trust funds"		4. Total net gain or loss to be taken into account on columns 2 and 3 of this summary				
	Gain	Loss	Gain	Loss	Gain	Loss			
1. Total net short-term capital gain or loss (enter on item 10 (a), page 1, amount of gain shown in column 4)	\$	\$	\$	\$	\$				
2. Total net long-term capital gain or loss (enter on item 10 (b), page 1, amount of gain or loss shown in column 4)	\$	\$ 351 70	\$	\$	\$				
Total net gain or loss (enter on item 10 (c), page 1, amount of gain or loss shown in column 4)						\$ 351 70			

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
 If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX (To be used only in the case of a net long-term capital gain or loss)									
1. Normal tax (4% of line 9)	\$	71 97							
2. Surplus on line 6 (See Instruction 29)	\$	71 97							
3. Partial tax (line 10 plus line 11)	\$	71 97							
4. 30% of net long-term capital gain (30% of line 2 (a))	\$	52 76							
5. 30% of net long-term capital loss (30% of line 2 (b))	\$	19 21							
6. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$	64 94							
7. Total normal tax and surplus (item 30, page 1)	\$	64 94							
8. Tax liability (if net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$	64 94							

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvement's subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter on item 10 (c), page 1)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
 If any of the above items were acquired by you other than by purchase, explain fully how acquired:



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Page 4

Item 15.—Taxes: California automobile tax (1938) \$13.56; stamp tax on stock transfers, \$12.15; California personal income tax accrued in 1938, \$49.10; Federal tax on club dues: Cuyamaca Club, \$3.60; Bankers' Club, \$1.13, and LaJolla Country Club, \$3.60; and Federal Admission tax on theater tickets, \$0.50; total, \$65.43.
See accompanying schedule H for items 13, 14, 17 and 18.

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 12)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents			
Status	Number of months during the year in such status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife		\$	Mrs. M. F. Van Dusen			
Married and living with husband or wife	12	1,050 00	Mother		12	400 00
Head of family (explain below)						
\$1,450—balance of personal exemption claimed by wife, Mrs. Wanda V. Van Dusen						
Reason for support if over 18 years old						

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule	(2) If your net income is more than \$3,000, use only this part of schedule
Net income (item 20, page 1) \$	Earned net income (not more than \$14,000) \$ 4,110 32
Earned income credit (10% of net income, above)	Net income (item 20, page 1) 4,019 50
	Earned income credit (10% of earned net income or net income, above, whichever amount is smaller, but do not enter less than \$300) 401 95

QUESTIONS

- State your principal occupation or profession. Executive
- Check whether you are a citizen ☒ or a resident alien ☐.
- If you filed a return for the preceding year, to which Collector's office was it sent? Los Angeles, Calif.
- Are items of income or deductions of both husband and wife included in this return? (See Instruction A) No
- State name of husband/wife if a separate return was made; personal exemption, if any, claimed thereon; and the Collector's office to which it was sent. Mrs. Wanda V. Van Dusen personal exemption \$1450. Los Angeles, Calif.
- Check whether this return was prepared on the cash ☐ or accrual ☐ basis. Accrual for business
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 402? (Answer "yes" or "no") No. (If answer is "yes," attach schedule required by Instruction M.)

AFFIDAVIT. (See Instruction F)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1938 and the regulations issued under authority thereof.

Subscribed and sworn to by Calvin H. Green
before me this 31 day of January, 1939

(Signature) (See Instruction F)

(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction F)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 1939

(Signature of person preparing the return)

(Signature of person preparing the return)



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
YEAR 1938

C. A. Van Dusen And Wanda V. Van Dusen
3738 Araryllis Drive, San Diego, California

SCHEDULE H
Explanation Of Deductions Claimed In Items 13, 14, 17, and 18

	<u>Total</u>	<u>C. A. Van Dusen</u>	<u>Wanda V. Van Dusen</u>
Item 13 - San Diego Community Chest	\$ 50.00	\$ 25.00	\$ 25.00
Item 14 - Interest paid:			
Bank of America, interest on note	\$ 874.99		
Baltimore National Bank, interest on mortgage	375.00		
Total	<u>\$1,249.99</u>	<u>\$ 624.99</u>	<u>\$ 625.00</u>
Item 17 - Bad Debts:			
Uncollectible check for \$750.00 dated May 5, 1938, received from J. H. Luther of San Diego, California, in payment of an Oldsmobile coupe sold April 12, 1938	\$ 750.00	\$ 375.00	\$ 375.00
Item 18 - Other deductions authorized by law:			
Membership fee - Institute of Aeronautical Science	\$ 10.00		
Loss of two months rental on residence at 3211 Freeman Street, San Diego, California, vacated as a result of absence from the United States on business	180.00		
Total	<u>\$ 190.00</u>	<u>\$ 95.00</u>	<u>\$ 95.00</u>
Total	<u>\$2,239.99</u>	<u>\$1,119.99</u>	<u>\$1,120.00</u>



C. A. AND WANDA V. VAN DUSEN

SUMMARY OF ADDITIONAL TAX AND INTEREST DUE ON AMENDED
FEDERAL INCOME TAX RETURN FOR THE YEAR 1937.

	<u>Total</u>	<u>C. A. Van Dusen</u>	<u>Wanda V. Van Dusen</u>
Tax due as shown on accompanying amended tax return	\$ 297.61	\$ 148.31	\$ 149.30
Less tax assessed and paid on original tax return	<u>309.34</u>	<u>154.67</u>	<u>154.67</u>
Remainder - additional tax due (excess of tax as shown on amended return over tax shown on original return)	\$ 11.73	\$ 6.36	\$ 5.37
Plus interest at $\frac{1}{2}$ of 1% a month for $13\frac{1}{2}$ months from March 16, 1938 to April 30, 1939 - 6-3/4%	<u>.79</u>	<u>.43</u>	<u>.36</u>
Total interest and tax due	<u><u>\$ 12.52</u></u>	<u><u>\$ 6.79</u></u>	<u><u>\$ 5.73</u></u>



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
YEAR 1937.

C. A. VAN DUSEN, 3211 FREEMAN STREET, SAN DIEGO, CAL.

Schedule D - Profit (or Loss) From Business or Profession
Supplementary data explaining deductions.

Labor	-	Fay L. Smith	\$ 726.30	
		H. M. Pryor.....	45.00	
		Edwin S. Kahlie.....	11.20	\$ 782.50
Material	-	Castings, parts, motors, etc.....	\$ 654.12	
		Miscellaneous small parts and supplies	154.98	
		Lumber.....	15.87	824.87
Expenses	-	Space rental.....	\$ 70.00	
		Machine Rental.....	165.98	
		Machine Shop Service.....	27.90	
		Drafting Service.....	50.00	
		Electricians' Services.....	13.26	
		Electricity.....	4.09	
		Transportation charges.....	65.59	
		Workmens Compensation Insurance.....	14.64	
		All other.....	1.78	411.00
Total	-			\$ 2,018.37

Loss inventory at end of year (at cost or market whichever is lower)

One model Counter Thrust Square Shear and certain accessories.....	\$ 975.00	
Material and parts.....	325.47	
(The above value at selling prices to licensee January 14, 1938).....		1,301.47

Net loss		\$ 716.90
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Power of Attorney

I hereby appoint Irma S. Robbins as my attorney in fact for the purpose of executing my Federal income tax return for the year 1937. Mrs. Robbins is authorized to act in my place and stead in all matters relating to the filing of this income tax report.

/s/ C. A. VAN DUSEN.

Subscribed and sworn to before me this 5th day of January, 1938.

/s/ JEAN HENLEY,
Notary Public.

My Commission Expires March 28, 1940. [42]

United States
Individual Income Tax Return
Year 1938

C. A. Van Dusen and Wanda V. Van Dusen
3738 Amaryllis Drive, San Diego, California

Schedule explaining Item 11, Other Income—

The \$1500 represents the fair market value at February 23, 1938, of 1500 shares of the common stock of Aero Industries Technical Institute, 5245 West San Fernando Road, Los Angeles, California, received in consideration for serving on the Board of Directors and Executive Committee of that corporation. [43]



INDIVIDUAL INCOME TAX RETURN 1939

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning 1939, and ended 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the first month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

C. A. Van Dusen

(Please give names of both husband and wife, if this is a joint return)

3738 Ameryllis Drive

(Street and number, or rural route)

San Diego

San Diego

California

(Post office)

(County)

(State)

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	\$ 15,866	73
2. Dividends	1,364	00
3. Interest on bank deposits, notes, mortgages, etc.		
4. Interest on corporate bonds		
5. Taxable interest on Government obligations, etc. (From Schedule B)		
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Provide names and addresses)		
7. Income from scholarships. (Provide names and addresses)		
8. Rents and royalties. (From Schedule C)		
9. Income (or loss) from business or profession. (From Schedule D)		
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)		
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)		
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)		
11. Other income (including income from annuities) (State source)		
12. Total income in items 1 to 11. (Enter amount from Schedule F)	\$ 18,678	42
Remainder after transfer of one-half of total income to wife	8,339	21
13. Contributions paid. (Report to Schedule F)	\$ 12	50
14. Interest. (Report to Schedule F)	1103	98
15. Taxes. (Report to Schedule F)	681	67
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Report to Schedule F)		
17. Bad debts. (Report to Schedule F)	5	00
18. Other deductions authorized by law. (Report to Schedule F)		
19. Total deductions in items 13 to 18	1,803	15
20. Net income (item 12 minus item 19)	\$ 6,538	06

COMPUTATION OF TAX

21. Net income (item 20 above)	\$ 6,538	06
22. Less: Personal exemption. (From Schedule J-1)	\$1,060	00
23. Credit for dependents. (From Schedule J-2)	400	00
24. Balance (surplus net income)	\$ 5,078	06
25. Less: Income on Government obligations, etc. (See Instruction 25)		
26. Earned income credit. (From Schedule E-1 or E-2)	653	61
27. Balance subject to normal tax	\$ 4,424	45
28. Normal tax (4% of item 27)	\$ 177	80
29. Surtax on item 24. (See Instruction 29)	43	44
30. Total (item 28 plus item 29)	220	74
31. Total tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	220	74
32. Less: Income tax paid at SOURCE		
33. Income tax paid to a foreign country or U.S. possession. (Attach Form 114)		
34. Balance of tax (item 31 minus items 32 and 33)	\$ 220	74

NOTE—One form marked "DUPLICATE COPY" must be filed with this original return (35 will be assessed if duplicate copy is not filed)

E x . B .



Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of service	2. Amount	3. Expenses (deduct)	4. Amount
Consolidated Aircraft Corp. Randbergh Field, San Diego, California. Gross Salary	\$ 16,020 00	Unemployment - California unemployment insurance tax	\$ 153 35
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$ 15,866 73

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amounts in excess of exemption
Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	
Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	
Obligations of United States issued on or before September 1, 1917			All	
Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	
United States Savings Bonds and Treasury Bonds			\$	\$
Obligations of instrumentalities of the United States (other than obligations to be reported in (1) above)			None	
Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
Orthill, Inc. royalty on quartz shears	\$ 552 94			(2) 150 00	\$ 402 94
rental from dwelling house at 107 Umor Road, Baltimore, Maryland	800 00	1,425 00 (1)	37 75	(3) 92 50	255 25
Explanation of deductions claimed in columns 4 and 5	(1) Snow shields \$2.00, shrubbery \$6.00 and painting \$29.75 (2) -3- trips to Los Angeles at \$50.00 each (3) Roland Park Company, maintenance tax \$26.50, commission \$66.00				

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

State business name and address if different from name and address on page 1				\$
Total receipts (state nature of business or profession)				
COST OF GOODS SOLD		OTHER BUSINESS DEDUCTIONS		
Labor	\$	10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$	
Material and supplies		11. Interest on business indebtedness		
Merchandise bought for sale		12. Taxes on business and business property		
Other costs (itemize below)		13. Losses (explain below)		
Plus inventory at beginning of year		14. Bad debts arising from sales or services		
Total (lines 2 to 6)	\$	15. Depreciation, obsolescence, and depletion (explain in Schedule E)		
Less inventory at end of year		16. Rent, repairs, and other expenses (itemize below or on separate sheet)		
Net cost of goods sold (line 7 minus line 8)	\$	17. Total (lines 10 to 16)	\$	
If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C" or "M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.				
Total (lines 2 to 6)		18. Total deductions (line 9 plus line 17)		
Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)		19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)		
Explanation of deductions claimed in lines 5, 13, and 16				

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated remaining life from beginning of year	9. Depreciation for the year
Dwelling house at 107 Umor Road Baltimore, Maryland	1930	28,500 00	-	5,700 00	22,800 00	20	15	1,425 00



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Page 8

1. Kind of property (if summary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (columns 4 plus columns 6 minus the sum of columns 5 and 7)	9. Gain or loss to be taken into account A. Percentage B. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 12 MONTHS								
			\$	\$	\$	\$	\$	100 %
								100
								100
								100
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)								\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 12 MONTHS BUT NOT FOR MORE THAN 36 MONTHS								
			\$	\$	\$	\$	\$	66%
								66%
								66%
								66%
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)								\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES								
1. Classification	2. Net short-term capital gain or loss of preceding taxable year (net of net income for each year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from preceding and "current" tax funds		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary		
		Gain	Loss	Gain	Loss	Gain	Loss	
Total net short-term capital gain or loss (enter in item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)
Total net long-term capital gain or loss (enter in item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$	

the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX (To be used only in the case of a net long-term capital gain or loss)			
Net income (Item 20, page 1). (See Instruction 10)	\$	10. Normal tax (4% of line 9)	\$
(a) Net long-term capital gain (Item 10 (b), page 1)	\$	11. Surtax on line 6. (See Instruction 25)	\$
(b) Net long-term capital loss (Item 10 (b), page 1)	\$	12. Partial tax (line 10 plus line 11)	\$
Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	\$
Less: Personal exemptions. (From Schedule J-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	\$
Credits for dependents. (From Schedule J-2)	\$	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
Normal (surtax net income)	\$	15. Total normal tax and surtax (Item 30, page 1)	\$
Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter on item 31, page 1)	\$
Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)	\$		
Amount subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (columns 3 plus columns 5 minus the sum of columns 4 and 6)
		\$	\$	\$	\$	\$
						\$
						\$
Total net gain (or loss) (enter on item 10 (c), page 1)						\$

the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:
any of the above items were acquired by you other than by purchase, explain fully how acquired:



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Page 4

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption

Status	Number of months during the year in each status	Credit claimed
Single, or married and not living with husband or wife.		\$
Married and living with husband or wife.	12	1,050.00
Head of family (explain below).		

(2) Credit for Dependents

Name of dependent and relationship	Number of months during the year		Credit claimed
	Under 18 years old	Over 18 years old	
Mrs. M. F. Van Dusen			\$
Mother	12	400 00	

\$1,450 - balance of personal exemption claimed by wife Wanda V. Van Dusen

Reason for support 84 yrs. old, no other means of if over 18 years old support.

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is \$3,000 or less, use only this part of schedule

Net income (item 20, page 1)	\$
Earned income credit (10% of net income, above)	

(2) If your net income is more than \$3,000, use only this part of schedule

or \$15,866.75 salary	
Earned net income (not more than \$14,000)	\$ 7,933.37
Net income (item 20, page 1)	6,536.06
Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	653.61

QUESTIONS

1. State your principal occupation or profession. Executive
2. Check whether you are a citizen ☒ or a resident alien ☐.
3. If you filed a return for the preceding year, to which Collector's office was it sent? Los Angeles, California
4. Are items of income or deductions of both husband and wife included in this return? No
5. State (a) Name of husband or wife if separate return was made Wanda V. Van Dusen

- (b) Personal exemption, if any, claimed thereon \$1,450
- (c) Collector's office to which it was sent Los Angeles, Cal.
6. Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") No (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code, as amended, and the regulations issued under authority thereof.

Subscribed and sworn to by C. A. Van Dusen
before me this 15 day of March, 1940

[Signature]
(Signature) (See Instruction E)

A return made by an agent must be accompanied by power of attorney. (See Instruction E)
My Commission Expires March 25, 1940

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 1940

(Signature of person preparing the return)

(Signature of person preparing the return)



B+



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1939

C. A. VAN DUSEN AND WANDA V. VAN DUSEN.
3738 AMARYLLIS DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE H.

EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14 AND 15

	TOTAL	C. A. VAN DUSEN	WANDA V. VAN DUSEN
ITEM 13 - CONTRIBUTIONS:			
San Diego Community Chest	\$ 25.00	\$ 12.50	\$ 12.50
ITEM 14 - INTEREST PAID:			
Bank of America, note	\$1444.45	\$ 722.23	\$ 722.22
Baltimore National Bank, mortgage on dwelling house	750.00	375.00	375.00
California personal income tax deficiency assessment for the years 1936, 1936 and 1937	4.14	1.89	2.25
Federal personal income tax deficiency assessment for year 1936	19.39	4.88	14.53
Total	\$2217.98	\$ 1103.98	\$ 1114.00
ITEM 15 - TAXES:			
San Diego County personal property	\$ 36.99	\$ 18.49	\$ 18.50
Baltimore real estate tax - 1936	597.37	298.68	298.69
1939	540.94	270.47	270.47
Stock transfer tax	106.31	53.16	53.15
California personal income tax			
1936	6.93	6.93	
1936	24.10	5.65	18.65
1937	.76	.38	.38
1938	15.20	7.60	7.60
Federal tax on club dues			
LaJolla Country Club	10.80	5.40	5.40
Guyanaca Club	7.20	3.60	3.60
LaJolla Beach & Tennis Club	3.60	1.80	1.80
Bankers Club	2.25	1.12	1.13
Federal admission tax on theater tickets	8.00	2.80	2.80
Automobile license plates	13.50	6.75	6.75
Total	\$1369.43	681.87	687.78
ITEM 16 - Other deductions authorized by law:			
Membership fee - Institute of Aeronautical Sciences	\$ 10.00	5.00	5.00



UNITED STATES NOT INVESTIGATED
INDIVIDUAL INCOME AND DEFENSE TAX RETURN 1940

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1940

(Do not use these spaces)

File No. **2942**
Serial No. **202467**
District **6-Calif**
(Cashier's Stamp)

REVIEWED
AUDIT REVIEW DIVISION
By: H. Rosenblatt
DATE APR 10 1942

or fiscal year beginning _____, 1940, and ended _____, 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instructions C)

Ca. A. Van Dusen
(Name) (Use given names of both husband and wife, if this is a joint return)
2622 Polinettia Drive
(Street and number, or rural route)
San Diego **San Diego** **California**
(Post office) (County) (State)

RECEIVED
WITH REMITTANCE
MAR 13 1941
COLL. INT. REV.
LOS ANGELES

INCOME		
1. Salary and other compensation for personal services. (From Schedule A)	\$ 22,422.80	
2. Dividends	15,470.00	
3. Interest on bank deposits, notes, mortgages, etc.		
4. Interest on corporation bonds		
5. Taxable interest on Government obligations, etc. (From Schedule B)		
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Attach names and addresses)		
7. Income from subsidiaries. (Attach names and addresses)		
8. Rents and royalties. (From Schedule C)		
9. Income (or loss) from business or profession. (From Schedule D)		
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule E)		
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)	212.81	
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)		
11. Other income (including income from annuities). (State source)		
12. Total income in items 1 to 11. (Enter net taxable income in Schedule I)	\$ 40,430.81	
DEDUCTIONS		
13. Contributions paid. (Explain in Schedule H)	\$ 25.00	
14. Interest. (Explain in Schedule H)	1,970.00	
15. Taxes. (Explain in Schedule H)	840.81	
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)		
17. Bad debts. (Explain in Schedule H)		
18. Other deductions authorized by law. (Explain in Schedule H)	870.00	
19. Total deductions in items 13 to 18	\$ 3,905.81	
20. Net income (Item 12 minus item 19)	\$ 37,000.27	
Remainder after transferring to COMPUTATION OF TAX of net income to wife		
21. Net income (Item 20 above)	\$ 18,888.10	
22. Less: Personal exemption. (From Schedule J-1)	\$ 800.00	
23. Credit for dependents. (From Schedule J-2)	400.00	
24. Balance (surplus net income)	\$ 17,888.10	
25. Less: Income on Government obligations, etc. (See Instructions B)		
26. Earned income credit. (From Schedule K-1 or K-2)	1,121.18	
27. Balance subject to normal tax	\$ 16,766.92	
28. Normal tax (4% of item 27)	\$ 670.68	
29. Surtax on item 28. (See Instructions 2)	1,884.84	
30. Total (Item 28 plus item 29)	\$ 2,555.52	
31. Total income tax (Sum item 30, or if you had a net long-term capital gain or loss, enter item 30, Schedule F)	\$ 2,555.52	
32. Less: Income tax paid at source	\$ 0.00	
33. Income tax paid to a foreign country or U.S. possession. (Attach Form 1130)		
34. Balance of income tax (Sum item 31 minus item 32 and 33)	\$ 2,555.52	
35. Defense tax (10% of item 31). (See Instructions)	255.55	
36. Total income and defense taxes due (Sum item 34 plus item 35)	\$ 2,811.07	

NOTE: In order that this return may be accepted on mailing the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY.

EX. C.



Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer (If a governmental unit, indicate whether "Federal," "State," or "Local")	2. Amount	3. Expenses (Amount)	4. Amount
See Schedule A attached.			

Total of column 2 minus total of column 4 (enter as item 1, page 1)

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 2)

1. Obligations or securities	2. Amount owned at end of year (including your proportionate share of such obligations held by partners, agents, associates, or others (State below))	3. Interest received or accrued during the year	4. Amount of principal, interest, etc. which is exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, of the District of Columbia, or United States government			All	
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	
(c) Obligations of United States issued on or before September 1, 1917—Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	
(d) United States Savings Bonds and Treasury Bonds			All	
(e) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			\$5,000	
Total (enter as item 1, page 1)			None	

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 3)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 1, page 1)
See Schedule C Attached					

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 4)

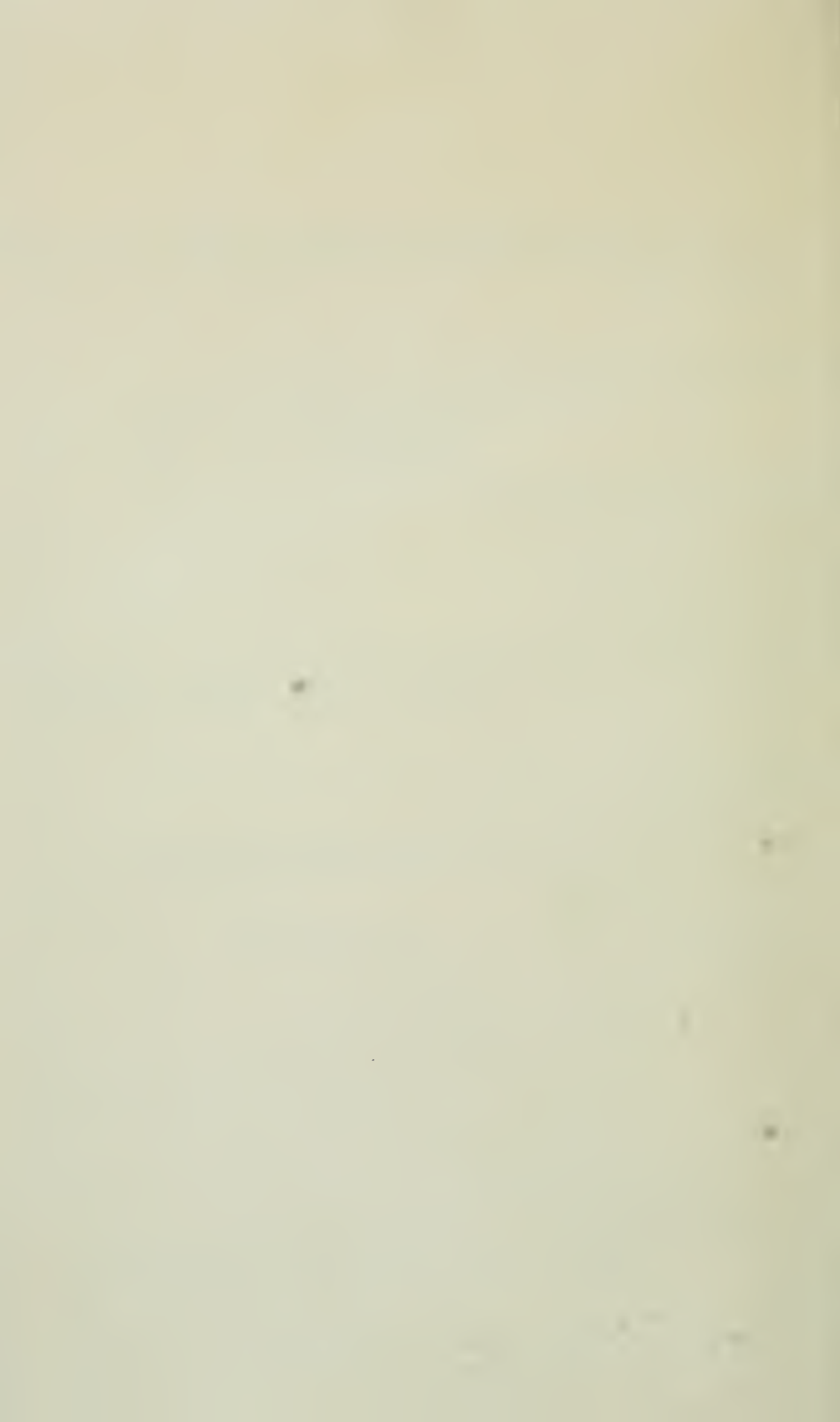
(1) nature of business and address if different from name and address on page 1
(2) number of places of business
(3) business name

COST OF GOODS SOLD		OTHER BUSINESS DEDUCTIONS	
(a) Inventory at beginning of year		11. Salaries and wages not included in "Labor" (do not deduct compensation for yourself)	
Merchandise bought for sale		12. Interest on business indebtedness	
Labor		13. Taxes on business and business property	
Material and supplies		14. Losses (explain below)	
Other costs (explain below)		15. Bad debts arising from sales or services	
Total of lines 2 to 6		16. Depreciation, depletion, and depletion (explain in Schedule E)	
Less inventory at end of year		17. Rent, repairs, and other expenses (explain below or on separate sheet)	
Net cost of goods sold (line 7 minus line 8)		18. Total of lines 11 to 17	
Gross profit (line 1 minus line 9)		19. Net profit (or loss) (line 1 minus lines 9 and 18) (enter as item 9, page 1)	

If the production, manufacture, purchase, and sale of real estate is an incident to the carrying on of a business, inventories are required. Enter "C" or "M" on lines 2 and 8 to explain the deductions claimed in lines 11, 13, and 17.

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, R, AND G

1. Kind of property (Do not include land or other non-depreciable property)	2. Date acquired	3. Cost or other basis (Do not include land or other non-depreciable property)	4. Allowable depreciation in use at end of year	5. Depreciable (or allowable) for prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation (explain)	8. Estimated percentage of life from beginning of year	9. Depreciation allowable this year
Building house at River Road								
Timore, Maryland	1930	\$2,500.00		\$7,125.00	21,875.00	20	14	1,425.00



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary state character of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913 (multiple in Schedule E)	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (multiple in Schedule E)	8. Gain or loss (column 4 plus column 7 minus column 5 and 6)	9. Short capital gain or loss to be taken into account	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 12 MONTHS									
			\$	\$	\$	\$			100
									100
									100
									100
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									0
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 12 MONTHS BUT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$		66%	\$
								66%	
								66%	
								66%	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
Baltimore Trust Co. 1763 1/2 St. N.W.	1/19/33	10/15/38	\$ 100.32				\$ 100.32		50.16
Stock	1/19/33	10/15/38	15.20				28.20		17.60
"	1/28/33		8.50				8.50		4.15
"	12/2/33		283.80				283.80		141.90
(In litigation since 1933 - settled in 1940)									1 215.61
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									0

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital gain or loss (enter in column 3, of summary below)	3. Net gain or loss to be taken into account from column 10, above	4. Net gain or loss to be taken into account from particular investments (enter in column 3, of summary below)	5. Total net gain or loss to be taken into account (enter in column 3, of summary below)
		Gain	Loss	Gain
1. Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$
2. Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$

COMPUTATION OF ALTERNATIVE TAX

Use only (1) If you had a net long-term capital gain, and item 14, page 1, exceeds \$22,000

(2) If you had a net long-term capital loss, and both line 13, page 1, exceeds \$22,000

1. Net income (item 20, page 1). (See Instruction 10).	\$ 18,603.10	10. Normal tax (4% of line 9)	\$ 744.26
2. (a) Net long-term capital gain (item 10 (b), page 1).	106.90	11. Surplus on line 6. (See Instruction 29).	1854.80
(b) Net long-term capital loss (item 10 (b), page 1).		12. Partial tax (line 10 plus line 11)	2008.28
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 10).	\$ 18,610.00	13. (a) 30% of net long-term capital gain (30% of line 2 (a)).	32.07
4. Less: Personal exemption. (From Schedule 1-1)	\$ 800.00	(b) 30% of net long-term capital loss (30% of line 2 (b)).	
5. Credit for dependents. (From Schedule 1-2)	400.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b)).	1972.20
6. Balance (surplus net income).	\$ 17,410.00	15. Total normal tax and surtax (from 10, page 1).	1981.84
7. Less: Interest on Government obligations, etc. (See Instruction 25).	\$	16. Tax liability (if a net long-term capital gain, use line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater) (Enter as item 31, page 1).	1981.84
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)	1121.13		
9. Balance subject to normal tax.	\$ 16,288.87		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (multiple in Schedule E)	7. Gain or loss (column 3 plus column 6 minus column 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 10 (c), page 1)						

Note: In the event of a sale or exchange of property, if any of the items on this page are of such items were acquired by gift other than by purchase, explain fully how acquired.



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Page 4

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
	See Schedule H Attached	\$			\$

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in such status	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old Over 18 years old	Credit claimed
Single, or married and not living with husband or wife		\$	Mrs. M. P. Van Dusen		\$
Married and living with husband or wife	12	800.00	Mother	12	400.00
Head of family (explain below)					
\$1,200 - balance of personal exemption claimed by wife, Wanda V. Van Dusen			Reason for support 85 years old, no other means if over 18 years old of support		

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 25)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 20, page 1)	\$	1 of salary \$22,422.80	\$ 11,211.25
Earned income credit (10% of net income, above)		Earned net income (not more than \$14,000)	18,503.10
		Net income (item 20, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	1,121.18

QUESTIONS

1. State your principal occupation or profession Executive
2. Check whether you are a citizen ☒ or a resident alien ☐.
3. Did you file a return for any prior year? Yes. If so, what was the latest year? 1939. To which Collector's office was it sent? Los Angeles, California
4. Are items of income or deductions of both husband and wife included in this return? No
5. State (a) Name of husband or wife if separate return was made Wanda V. Van Dusen
- (b) Personal exemption, if any, claimed thereon \$1,200
- (c) Collector's office to which it was sent Los Angeles
6. Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? (Answer "yes" or "no") No (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by C. P. Van Dusen
before me this 12 day of March, 1941

John P. Van Dusen
Notary Public for California
A return made by an agent shall be accompanied by power of attorney. (See Instruction E)

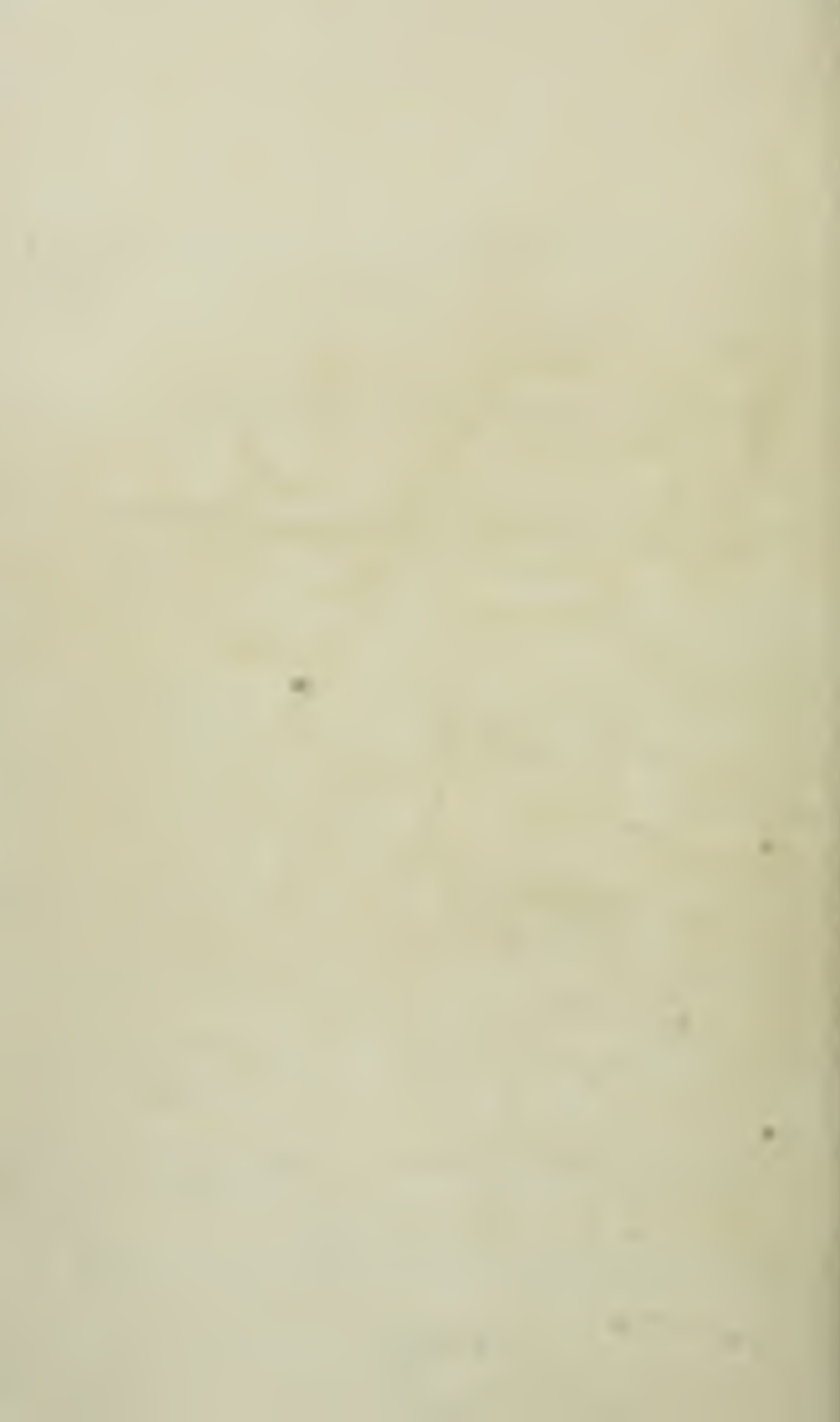
AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 1941





CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1940

C. A. VAN DUSEN AND WANDA V. VAN DUSEN.
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE A
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 1

ITEM 1 - INCOME:

Consolidated Aircraft Corp., Lindbergh Field, San Diego, Cal. - Gross Salary	\$22,442.50
Aero Industries Technical Inst. - Director's fee	10.00
	<u>\$22,452.50</u>
Less California Unemployment Insurance tax	30.00
	<u><u>\$22,422.50</u></u>

SCHEDULE C
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 8

ITEM 8 - RENTS AND ROYALTIES:

Northill, Inc. royalty on square shears	\$ 3,420.16	
Expenses: (Column 8)		
3 trips to Los Angeles at \$50 each -	\$150.00	
Square shear accounting service	100.00	
" " draftsman "	10.00	
	<u>260.00</u>	
		\$3,160.16
Rental from dwelling house at 107 Upstar Road, Baltimore, Maryland	\$1,230.00	
Depreciation	\$1,425.00	
Repairs	74.25	
Maintenance tax	28.50	
Commission	66.00	
Legal fees	56.27	
	<u>1,648.00</u>	
		418.00
		<u>\$2,742.16</u>

LOSS

418.00

\$2,742.16

C-1



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1940

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2646 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE H
EXPLANATION OF DEDUCTIONS CLAIMED IN
ITEMS 13, 14, 15 and 16.

ITEM 13 - CONTRIBUTIONS:

San Diego Community Chest \$ 25.00

ITEM 14 - INTEREST:

Bank of America note \$1,220.00

Baltimore National Bank, mortgage on dwelling
house 780.00

\$1,970.00

ITEM 15 - TAXES:

San Diego County personal property \$ 40.32

Baltimore real estate tax 573.03

New York personal income tax deficiency
assessment for 1938 76.51

California personal income tax for 1939:

Wanda V. Van Dusen \$ 51.91

C. A. Van Dusen 52.12

104.03

Federal tax on club dues:

LaJolla Country Club 10.80

Cuyamaca Club 7.20

LaJolla Beach & Tennis Club 3.80

Bankers Club of America 2.25

Federal Admission tax on theater tickets 5.00

Automobile license plates \$ 13.15

13.72

26.87

\$ 849.61

ITEM 16 - OTHER DEDUCTIONS AUTHORIZED BY LAW:

Membership fee - Inst. of Aeronautical Sciences \$ 10.00

Legal fees in connection with defense of double
liability on Baltimore Trust Company stock 560.05

\$ 570.05



UNITED STATES INDIVIDUAL INCOME TAX RETURN

Page 1
1941

(Auditor's Stamp)

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN CLASS AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUITIES, OR ROYALTIES.

For Calendar Year 1941

or fiscal year beginning 1941, and ending 1942

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instructions C)

Ca. Mrs. Van Dusen

(Name) (Use given names of both husband and wife, if this is a joint return)

2668 Poinsettia Drive

(Street and number, or rural route)

San Diego,

San Diego,

California

(Post office)

(County)

(State)

(Do not use these spaces)

File No. 2942
 Serial 518186

District 8-Calif.
 (Cashier's Stamp)

MAR 16 1942

COLL INT REV.
 LOS ANGELES CAL.

Cash Check

Post Payment

Item and
 Instruction No.

INCOME

Amount

Deductible Expenses
 (Check Form and instructions)

1. Salaries and other compensation for personal services, \$ 32,584.37 \$ 32,584.37
2. Dividends 52,874.60
3. Interest on (a) bank deposits, notes, etc., \$ _____; (b) corporation bonds, _____
4. Interest on Government obligations, etc.:
 (a) Federal (A) Schedule A, \$ _____; (b) from line (f), Schedule A, _____
5. Rents and royalties. (From Schedule B) 675.67
6. Annuities _____
7. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F) _____
 (b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F) 21,027.70
 (c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G) _____
8. Net profit (or loss) from business or profession. (From Schedule H) _____
 (State total receipts, from line 1, Schedule H, \$ _____)
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule D) _____
10. Total income in items 1 to 9. \$ 112,130.54

ITEMS 7, 8, AND 9 ABOVE (AND PAGES 2 AND 3) NEED NOT BE CONSIDERED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.

DEDUCTIONS

11. Contributions paid. (Explain in Schedule C) \$ 265.00
12. Interest. (Explain in Schedule C) 1,259.45
13. Taxes. (Explain in Schedule C) 1,671.80
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C) _____
15. Bad debts. (Explain in Schedule C) _____
16. Other deductions authorized by law. (Explain in Schedule C) 10.00
17. Total deductions in items 11 to 16. \$ 3,206.25

18. Net income (item 10 minus item 17) Remainder after transferring 1/2 of net \$ 115,924.09

Income to COMPUTATION OF TAX wife, Wanda V. Van Dusen \$67,962.06

- | | |
|--|---|
| 19. Net income (item 18 above) <u>\$ 57,962.06</u> | 26. Normal tax (4% of item 25) <u>\$ 2,222.48</u> |
| 20. Less: Personal exemption. (From Schedule D-1) <u>\$ 600.00</u> | 27. Surtax on item 22. (See Instructions 27) <u>\$ 25,342.32</u> |
| 21. Credit for dependents. (From Schedule D-2) <u>400.00</u> <u>1,000.00</u> | 28. Total (item 26 plus item 27) <u>\$ 26,570.64</u> |
| 22. Balance (surtax net income) <u>\$ 56,962.06</u> | 29. Total tax (item 28 or line 16, Schedule F) <u>\$ 22,382.60</u> |
| 23. Less: Item 4 (a) above \$ _____ | 30. Less: Income tax paid at SOURCE \$ _____ |
| 24. Earned income credit. (From Schedule E-1 or E-2) <u>1,400.00</u> <u>1,400.00</u> | 31. Income tax paid to a foreign country or U.S. possession. (Amount Form 1142) _____ |
| 25. Balance subject to normal tax <u>\$ 55,562.06</u> | 32. Balance of tax (item 29 minus items 30 and 31) <u>\$ 22,382.60</u> |

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by Ca. Mrs. Van Dusen (Signature) (See Instructions E)

before me this 14 day of March 1942

James Francis Reagan (Signature)
 (Notary Public and State of California)

A return made by an agent must be accompanied by power of attorney. (See Instructions E)

IF THIS RETURN WAS PREPARED FOR YOU BY SOME OTHER PERSON, THE AFFIDAVIT ON PAGE 4 MUST BE EXECUTED

My Commission Expires Aug. 7, 1943.

EX. D.

10-55545

P-1



Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction C)

Page 2

1. Obligations or securities	2. Amount owned at end of year including year of preparation share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal, interest on which is exempt from taxation	5. Interest on amount in excess of exemption, and dividends subject to normal tax
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions			All	
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended			All	
(c) Obligations of United States issued on or before September 1, 1917			All	
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941			All	
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941			\$5,000	
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (h) above) issued prior to March 1, 1941			None	
(g) Dividends on share accounts in Federal savings and loan associations				
(h) Total (enter as item 4 (e), page 1)				
(i) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item 4 (i), page 1)			Amount owned at end of year	Interest received or accrued during the year (subject to normal tax and excess)

Schedule B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)

1. Kind of property	2. Amount	3. Depreciation or depletion (attach schedule)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (columns 2 minus sum of columns 3, 4, and 5) (enter on Item 5, page 1)
See Schedule B attached.					

Explanation of deductions claimed in columns 4 and 5.

Schedule C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
See Schedule C attached.					

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 20 AND 21. (See Instructions 20 and 21)

(1) Personal Exemption			(2) Credits for Dependents		
Status	Number of credits during the year in each status	Credit claimed	Name of dependent and relationship	Number of credits during the year (Under 18 years old 18 years or over)	Credit claimed
Single, or married and not living with husband or wife, and not head of family.			Mrs. M. F. Van Dusen		
Married and living with husband or wife.	12	600.00	Mother	12	400.00
Head of family (explain below)					
\$900.00 balance of personal exemption claimed by wife, Wanda Y. Van Dusen.			Reason for support if 18 years or over: 86 years old - no other means of support.		

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(a) If your net income is \$9,000 or less, use only this part of schedule	(b) If your net income is more than \$9,000, use only this part of schedule
Net income (Item 14, page 1)	Earned net income (not more than \$14,000)
Earned income credit (10% of net income, above)	Net income (Item 14, page 1)
	Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)

QUESTIONS

- State your principal occupation or profession Executive
- Name and address of employer None at present.
- Did you file a return for any prior year? Yes. If so, what was the latest year? 1939. To which Collector's office was it sent? Los Angeles, Calif.
- If separate return was made for the current year, state:
 - Name of husband or wife Wanda Y. Van Dusen
 - Principal occupation, if any, claimed thereon \$900.00
 - Collector's office to which it was sent Los Angeles, Cal.
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
- Return on each bond, do you elect, under section 41, to include on income received in the current year the interest for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? No. If so, attach statement listing obligations owned and computation of the accrued income. Report such income on interest in Item 3 or 4, page 1, whichever applicable.
- Did you receive during the taxable year any substantial income other than interest reported in Schedule A (see Instruction G)? No. If so, attach schedule showing source, nature, and amount of such income.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 301 of the Internal Revenue Code? No. If so, attach statement required by Instruction J.

D-2



DETACH PAGES 3 AND 4 IF NOT USED

Page 3

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913 (include in Schedule D)	7. Depreciation allowed (or allowable) (see instructions or March 1, 1913 (include in Schedule D))	8. Gain or loss (column 4 plus column 6 minus the sum of columns 5 and 7)	9. Percentage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913 (include in Schedule D)	7. Depreciation allowed (or allowable) (see instructions or March 1, 1913 (include in Schedule D))	8. Gain or loss (column 4 plus column 6 minus the sum of columns 5 and 7)	9. Percentage	10. Amount
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913 (include in Schedule D)	7. Depreciation allowed (or allowable) (see instructions or March 1, 1913 (include in Schedule D))	8. Gain or loss (column 4 plus column 6 minus the sum of columns 5 and 7)	9. Percentage	10. Amount
			\$	\$	\$	\$	\$	30	\$
								30	
								30	
								30	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF NET CAPITAL GAINS OR LOSSES

1. Classification	2. Net short-term capital gain or loss of preceding taxable year (net of net income for such year)	3. Net gain or loss to be taken into account from column 8, above		4. Net gain or loss to be taken into account from partnerships and common trust funds		5. Total net gain or loss to be taken into account in columns 3, 4, and 5 of this summary		Net capital gain or loss (column 2 plus column 3, minus column 4, plus column 5)
		Gain	Loss	Gain	Loss	Gain	Loss	
1. Total net short-term capital gain or loss (enter as item 7 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	\$	
2. Total net long-term capital gain or loss (enter as item 7 (b), page 1, amount of gain or loss shown in column 5)	\$21,027.70	\$	\$	\$	\$	\$21,027.70	\$	

COMPUTATION OF ALTERNATIVE TAX

Use only: If you had a net long-term capital gain, and item 22, page 1, exceeds \$12,000, or
If you had a net long-term capital loss, and such loss plus item 22, page 1, exceeds \$12,000

1. Net income (Item 18, page 1). (See Instruction 7)	\$ 57,862.05	10. Normal tax (4% of line 9)	\$ 2,314.88
2. (a) Net long-term capital gain (Item 7 (b), page 1)	\$ 10,518.85	11. Surtax on line 6. (See Instruction 27)	\$ 17,426.81
(b) Net long-term capital loss (Item 7 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$ 19,741.69
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 7)	\$ 47,343.20	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	\$ 3,155.66
4. Less: Personal exemption. (From Schedule D-1)	\$ 600.00	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule D-2)	\$ 400.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$ 22,897.35
6. Balance (net tax not income)	\$ 46,443.20	15. Total normal tax and surtax (Item 28, page 1)	\$ 25,570.84
7. Less: Item 4 (a), page 1	\$ -	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater. (Enter on line 28, page 1)	\$ 22,897.35
8. Earned income credit. (From Schedule E-1 or E-2. (See last 7))	\$ 1,400.00		
9. Balance subject to normal tax	\$ 45,043.20		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 7)

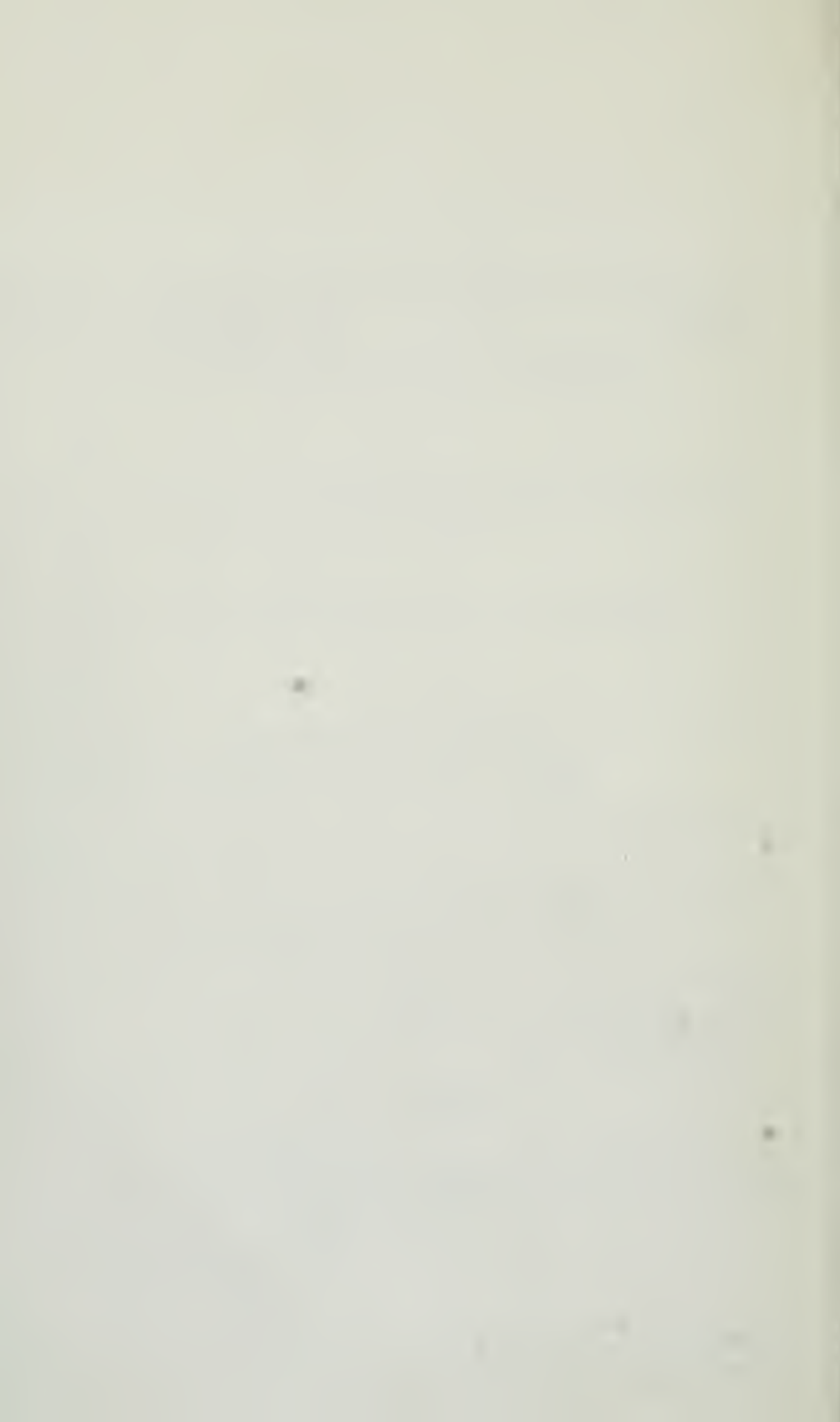
1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) (see instructions or March 1, 1913 (include in Schedule D))	7. Gain or loss (column 3 plus column 5 minus the sum of columns 4 and 6)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 7 (c), page 1)						

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page

If any of such items were acquired by you other than by purchase, explain fully how acquired

10-5555

* Remaining half net long-term capital gain claimed by wife, Wendie V. Van Dusen



Schedule H.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 8)

(State (1) nature of business (2) number of places of business (3) business name and address if different from name and address on page 1.)

1. Total receipts.....

COST OF GOODS SOLD

(To be used where inventories are an income-determining factor)

2. Inventory at beginning of year..... \$.....
 3. Merchandise bought for sale.....
 4. Labor.....
 5. Material and supplies.....
 6. Other costs (itemize below).....
 7. Total of lines 2 to 6..... \$.....
 8. Less inventory at end of year.....
 9. Net cost of goods sold (line 7 minus line 8)..... \$.....
 10. Gross profit (line 1 minus line 9)..... \$.....

OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)..... \$.....
 12. Interest on business indebtedness.....
 13. Taxes on business and business property.....
 14. Losses (explain below).....
 15. Bad debts arising from sales or services.....
 16. Depreciation, obsolescence, and depletion (explain in Schedule J).....
 17. Rent, repairs, and other expenses (itemize below or on separate sheet).....
 18. Total of lines 11 to 17..... \$.....
 19. Total of lines 9 and 18..... \$.....
 20. Net profit (or loss) (line 1 minus line 19) (enter as item 8, page 1)..... \$.....

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C" or "C or M" on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.
 Explanation of deductions claimed in lines 6, 14, and 17.....

Schedule I.—INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

INCOME (OR LOSS) FROM PARTNERSHIPS, SYNDICATES, ETC. (SEE INSTRUCTIONS 9 AND 10) (FURNISH NAMES AND ADDRESSES)

INCOME FROM FIDUCIARIES (FURNISH NAMES AND ADDRESSES)

INCOME FROM OTHER SOURCES (STATE NATURE)

Total amounts in Schedule I. (Enter as item 9, page 1).....

Schedule J.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (Do not include land or other nondepreciable property)	4. Assets fully depreciated by use at end of year	5. Depreciation allowed (for schedule) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated life from beginning of year	9. Depreciation allowable this year
		\$.....	\$.....	\$.....	\$.....			\$.....

AFFIDAVIT. (See Instruction 12)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
 of _____, 194_____

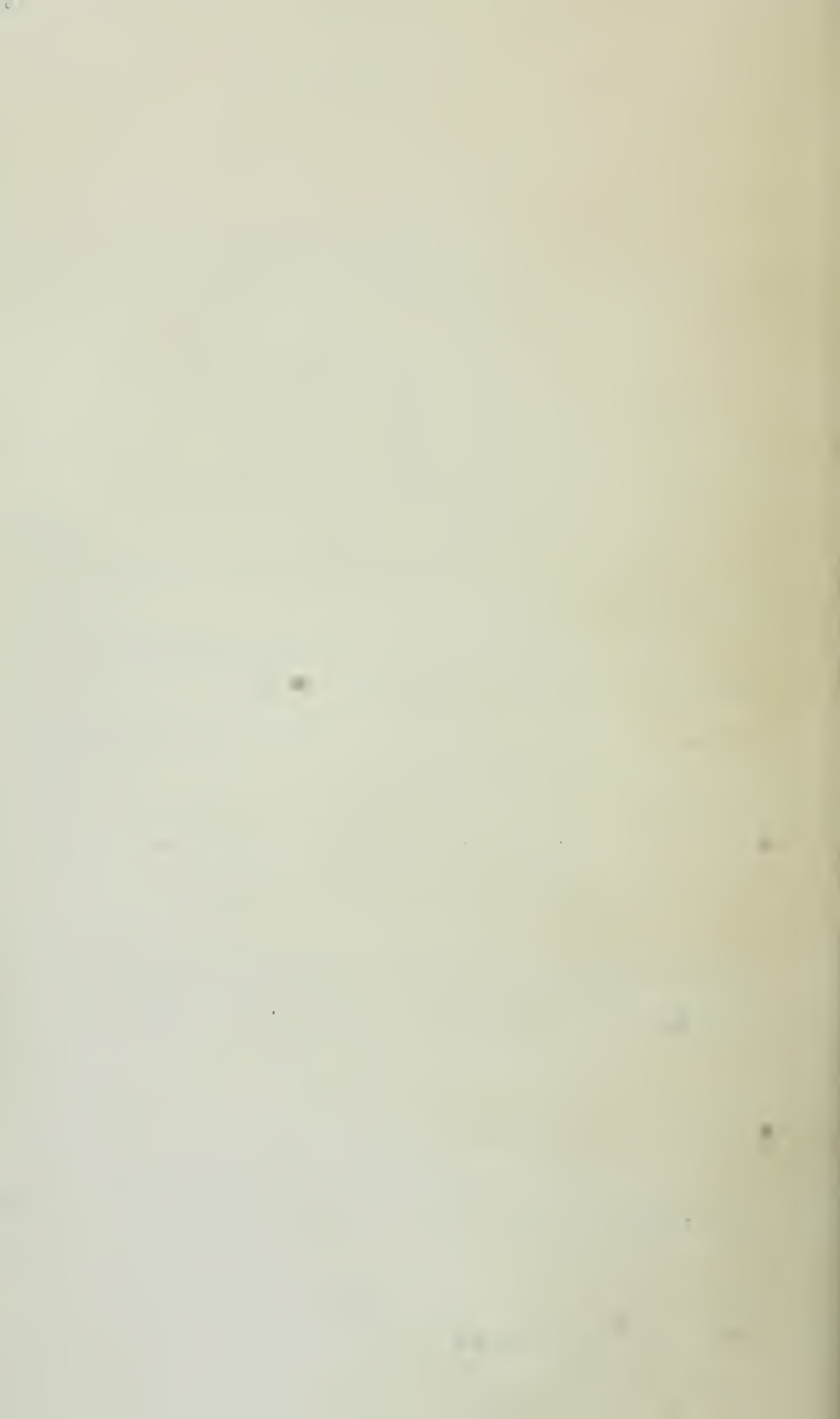


(Signature of person preparing the return)

(Signature of person preparing the return)

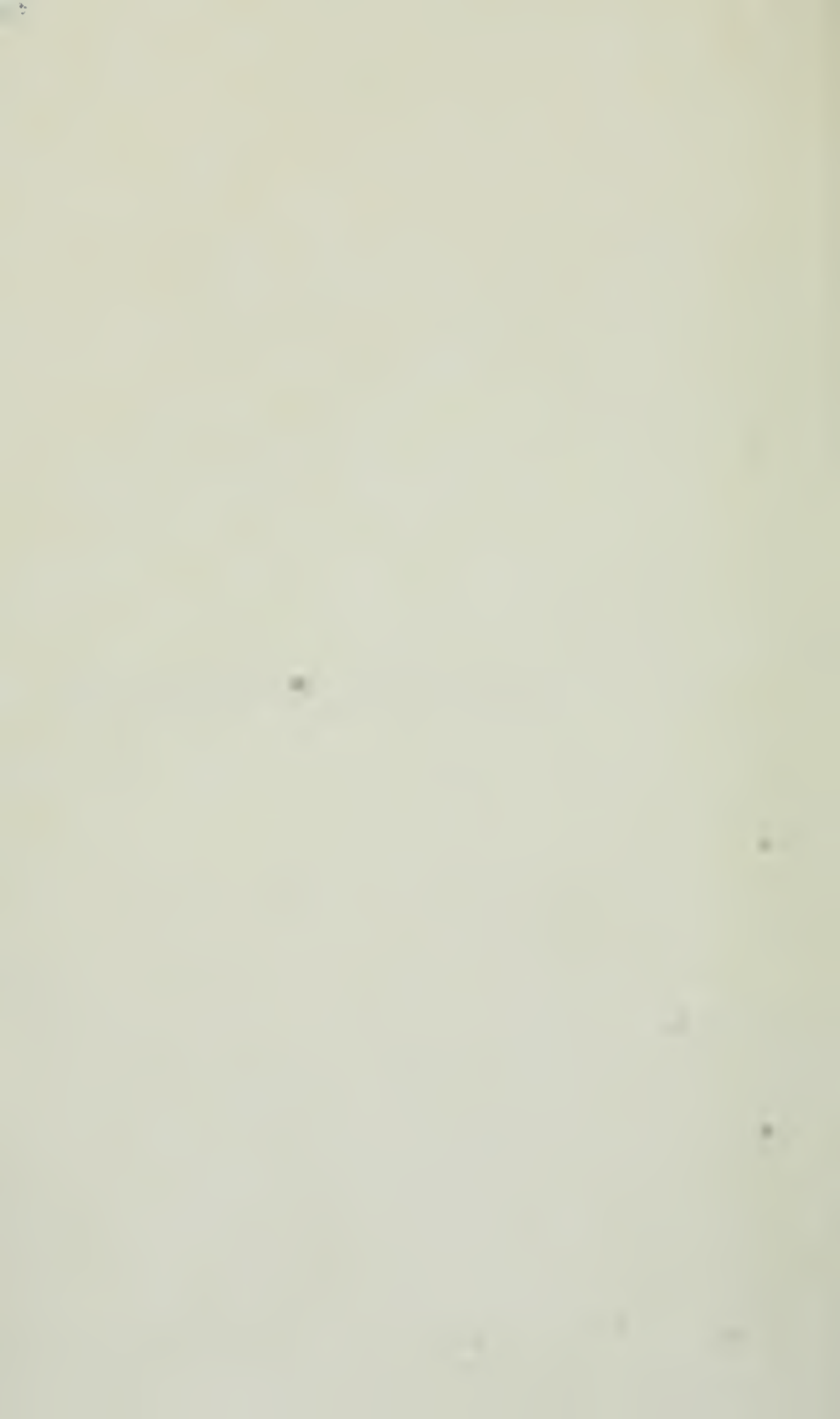
(Name of firm or company, if any)

(Signature and title of officer administering oath)



LONG-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD FOR MORE THAN 24 MONTHS

Kind of property	2. Date acquired	3. Date sold	4. Gross sales price (contrast price)	5. Cost or other basis	8. Gain or loss	9. Per- cent- age	10. Amount
0 shs. Consolidated Aircraft Corp. Common Stock	3/ 3/39 ✓	7/ 3/41	\$30,173.79 ✓	\$ 5,000.00	\$25,173.79	50	\$12,586.88
0 shs. Same	5/29/35	7/ 3/41	30,361.22 ✓	20,703.15 ✓	9,658.07	50	4,829.04
0 shs. Same	7/ 1/35	"					
0 shs. Same	2/ 2/37	"					
0 shs. Same	3/ 9/37	12/22/41	8,223.56	1,000.00	7,223.56	50	3,611.78
0 shs. Same	4/30/37	"					
Total net long-term capital gain or loss					\$42,055.42		\$21,027.70



UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1941

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE A
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 1

ITEM 1 - INCOME:

Consolidated Aircraft Corp., Lindbergh Field, San Diego, Cal. - Gross Salary	\$ 31,255.00
Hirsch, Lilienthal & Company - Consulting Services (Finder's Fee - Rohr Aircraft Corp., San Diego, California)	8,319.37
Aero Industries Technical Inst. - Director's fee	10.00
	<u>\$ 39,584.37</u>
Less California Unemployment Insurance tax	30.00
	<u><u>\$ 39,554.37</u></u>

SCHEDULE B
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 5

ITEM 5 - RENTS AND ROYALTIES:

Northill, Inc. royalty on square shears	\$ 4,961.92
Expenses (Column 5)	
3 trips to Los Angeles at \$50 each - \$150.00	
Square shear accounting service	<u>100.00</u>
	<u>250.00</u>
	\$ 4,711.92
Rental from dwelling house at 107 Upnor Road, Baltimore, Maryland	\$ 1,455.00
Depreciation	\$1,425.00
Repairs	14.25
Maintenance tax	26.50
Legal fees	<u>27.50</u>
	<u>\$ 1,493.25</u>

LOSS

38.25

\$ 4,673.67

EXPLANATION OF DEPRECIATION
COLUMN 3 OF SCHEDULE B

1. Kind of property	2. Date acquired	3. Cost	4. Depreciation allowed prior yrs.	5. Remaining cost	6. Estd. Life	7. Estd. Rem. Life
Dwelling house at 107 Upnor Rd. Baltimore, Maryland	1930	\$28,500.00	\$8,550.00	\$19,950.00	20	13
8. Depreciation allowable this year						
		\$1,425.00				



UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1941

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE C
EXPLANATION OF DEDUCTIONS CLAIMED IN
ITEMS 11, 12, 13, and 16.

ITEM 11 - CONTRIBUTIONS:

San Diego Community Chest	\$ 250.00	
British War Relief	15.00	
		\$ 265.00

ITEM 12 - INTEREST:

Bank of America note	\$ 509.45	
Baltimore National Bank, mortgage on dwelling house	750.00	
		1,259.45

ITEM 13 - TAXES:

San Diego County Personal Property Tax	\$ 73.77	
San Diego Light Post Tax	2.56	
San Diego County taxes on property at 2668 Poinsettia Drive, San Diego, Calif.	369.25	
Real property tax on property at 107 Upnor Road, Baltimore, Maryland	494.30	
California personal income tax - 1940:		
Wanda V. Van Dusen	\$310.07	
C. A. Van Dusen	310.07	
		620.14
Federal tax on club dues:		
LaJolla Country Club	\$ 8.24	
Cuyamaca Club	7.92	
La Jolla Beach & Tennis Club	5.94	
Bankers Club of America	2.25	
		24.35
Federal Admission tax on amusement tickets	5.00	
Automobile license plates (4 cars)	70.23	
Transfer tax on sale of securities	12.20	
		1,671.80

ITEM 16 - OTHER DEDUCTIONS AUTHORIZED BY LAW:

Membership fee - Inst. of Aeronautical Sciences		10.00
		\$3,206.25



Treasury Department

FORM 1040

Internal Revenue Service

Page 1

1938 UNITED STATES INDIVIDUAL INCOME TAX RETURN 1938

LOS ANGELES DISTRICT

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1938

or fiscal year beginning 1938, and ended 1938

(Before Preparing This Return, Read the Instructions Carefully)

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY (See Instruction E)

Frank V. Van Dusen
 828 Anacallis Drive
 San Diego, California

(Do not use these spaces)
 FILED 9/4/41
 FEBRUARY 20 1940
 COLLECTOR'S OFFICE
 LOS ANGELES, CAL.

233/4
 28.79
 362.32
 510555
 AUG 15 1940

1. Salaries and other compensation for personal services. (From Schedule A)
2. Dividends.
3. Interest on bank deposits, bonds, mortgages, etc.
4. Interest on corporate bonds.
5. Taxable interest on Government obligations.
6. Income (or loss) from partnerships, syndicates, pools, etc. (Other than capital gains or losses).
7. Income from salaries.
8. Rents and royalties.
9. Income (or loss) from business or profession.
10. (a) Net short-term gain from sale or exchange of capital assets.
- (b) Net long-term gain (or loss) from sale or exchange of capital assets.
- (c) Net gain (or loss) from sale or exchange of property other than capital assets.
11. Other income (including income from annuities).
12. Total income in items 1 to 11.

8625

POSTING
 FEB 1 1940
 DATE

Original Assessment 70.00
 Penalty 6.33
 Interest 200357-096.
 See Prov 4

13. Contributions paid.	25.00
14. Interest.	625.00
15. Taxes.	78.49
16. Losses from fire, storm, shipwreck, or other casualty, or theft.	378.00
17. Bad debts.	26.00
18. Other deductions authorized by law.	
19. Total deductions in items 13 to 18.	1,190.49
20. Net income (from 12 minus item 19).	4,167.81

COMPUTATION OF TAX

21. Net income (from 20 above).	4,167.81	22. Normal tax (4% of item 21).	92.21
23. Less: Personal exemption.	4,480.00	29. Surtax on item 24.	
24. Credit for dependents.	1,480.00	30. Total (from 22 plus item 29).	92.21
25. Balance (surtax net income).	2,707.81	31. Total tax (from 30, plus 1% of item 25).	27.00
26. Less: Income on Government obligations.		32. Less: Income tax paid at source.	142
27. Earned income credit.	401.95	33. Balance of tax (from 31 minus items 32 and 33).	2842
28. Balance subject to normal tax.	2,306.86		

NOTE—Our form marked "DUPLICATE COPY" must be filed with this original return (It will be assessed if duplicate copy is not filed)

F X E

E-1



Page 2

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Expenses (deduct)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See instruction 5)

1. Obligations or securities	2. Amount earned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or earned during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
U.S. Savings Bonds and Treasury Bonds	\$	\$	All	*****
U.S. Savings Bonds and Treasury Bonds	\$	\$	All	*****
U.S. Savings Bonds and Treasury Bonds	\$	\$	All	*****
U.S. Savings Bonds and Treasury Bonds	\$	\$	All	*****
U.S. Savings Bonds and Treasury Bonds	\$	\$	None	*****
Total (enter as item 5, page 1)				\$

ITEM 13

ITEM 14

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See instruction 5)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (subtract 3 from 2, and 4 and 5 from 2) (enter as item 6, page 1)
	\$	\$	\$	\$	\$

ITEM 15

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See instruction 9)

Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)	\$
---	----

ITEM 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Description of property and year in which depreciation claimed	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowed for this year
		\$	\$	\$	\$			\$



Schedule F—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Page 3

Kind of property (if necessary attach statement of descriptive data not shown below)	2. Date acquired	3. Date sold	4. Gross sales price (contract price)	5. Cost or other basis	6. 1. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain on Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 6 and 8)	9. Precentage	10. Amount
	Mo. Day Year	Mo. Day Year							

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS

			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	

Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)

\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$	\$	66 2/3	\$
								66 2/3	
								66 2/3	
								66 2/3	

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	

Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)

\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net gain or loss to be taken into account from column 10, above		3. Net gain or loss to be taken into account from partnership and "common trust funds"		4. Total net gain or loss to be taken into account in columns 2 and 3 of the summary		No net loss allowable (See Instruction 10)
	Gain	Loss	Gain	Loss	Gain	Loss	

the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX

(To be used only in the case of a net long-term capital gain or loss)

Income (item 20, page 1)	\$ 3,407.32	10. Normal tax (4% of line 9)	\$ 72.25
Net long-term capital gain (item 10 (b), page 1)	175.85	11. Surtax on line 6 (See Instruction 29)	
Net long-term capital loss (item 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$ 72.25
Net ordinary income (line 1 minus line 2 (a) or line 1 plus line 2 (b))	\$ 3,583.17	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
a. Personal exemption. (From Schedule J-1)	\$ 1,450.00	(b) 30% of net long-term capital loss (30% of line 2 (b))	\$ 52.76
Credit for dependents. (From Schedule J-2)	1,450.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$ 19.49
Income (surtax net income)	\$ 2,133.17	15. Total normal tax and surtax (item 30, page 1)	\$ 65.21
a. Interest on Government obligations, etc. (See Instruction 25)		16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater) (Enter as item 31, page 1)	\$ 65.21
Earned income credit. (From Schedule K-1 or K-2)	326.95		
Income subject to normal tax	\$ 1,806.22		

Schedule G—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

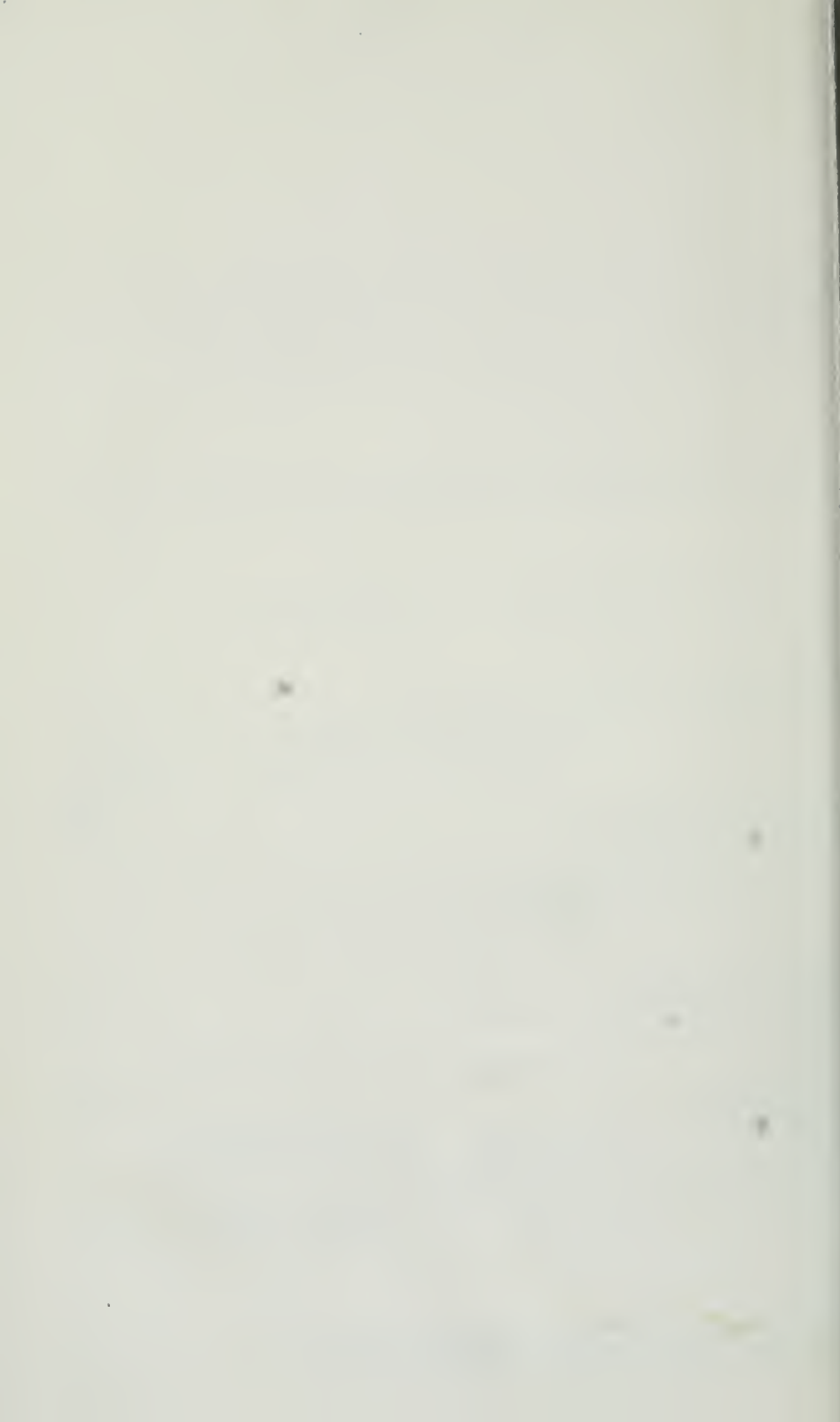
1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain on Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
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Total net gain (or loss) (enter as item 10 (c), page 1)

\$

the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

any of the above items were acquired by you other than by purchase, explain fully how acquired:





C. A. And Wanda V. Van Dusen

Reconciliation Of The Income Assigned To Wanda V. Van Dusen
In The First Amended Return For The Year 1938.

<u>Items</u>	<u>Total</u>	<u>C. A. Van Dusen</u>	<u>Wanda V. Van Dusen</u>
<u>Income:</u>			
1. Gross salary	\$15,205.04		
Deduct amount excluded	(1) 8,666.06		
Remainder - salary subject to tax	\$ 6,538.98	\$ 3,269.49	\$ 3,269.49
2. Dividends	4,244.00	2,122.00	2,122.00
8. Rents and royalties	925.13	462.56	462.57
9. Loss from business or profession	294.54	147.27	147.27
10b. Net long-term loss from sale of capital assets	351.70	175.85	175.85
11. Other income	(2) 1,500.00	750.00	750.00
Total	\$10,711.61	\$ 5,355.81	\$ 5,355.80
<u>Deductions:</u>			
13. Contributions	\$ 50.00	\$ 25.00	\$ 25.00
14. Interest	1,249.99	624.99	625.00
15. Taxes	163.92	85.43	78.49
17. Bad debts	750.00	375.00	375.00
18. Other deductions authorized by law	190.00	95.00	95.00
Total	\$ 2,403.91	\$ 1,205.42	\$ 1,198.49
Remainder - net income	\$ 8,307.70	\$ 4,150.39	\$ 4,157.31

NOTES:

- (1) This amount includes:

Salary earned during the seven months taxpayer was absent
 from the United States \$ 8,600.01

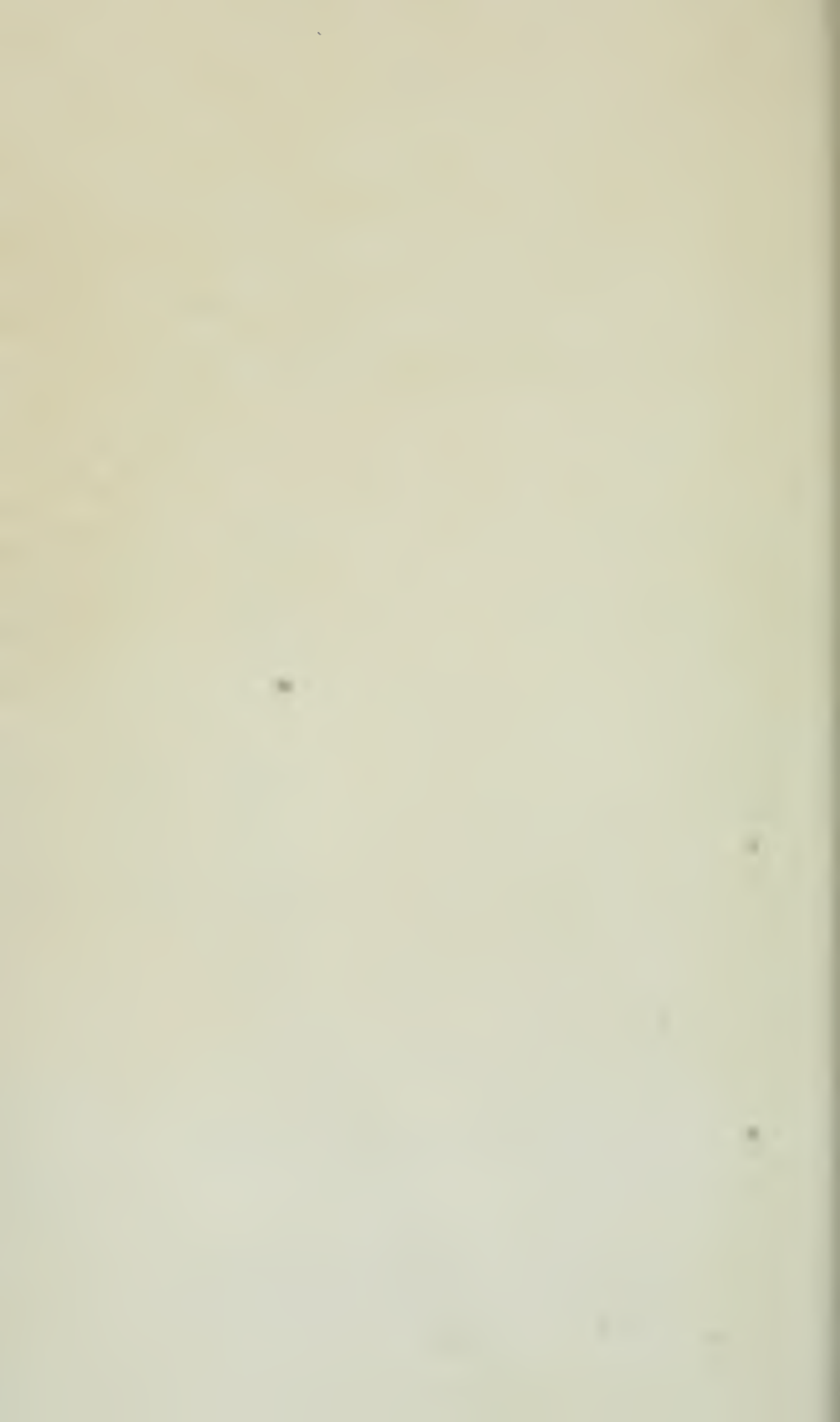
California unemployment insurance tax of 1% on \$6,605.03
 of salary earned during 1938 while taxpayer was in the
 United States 66.05

Total

\$ 8,666.06

- (2) The \$1500 represents the fair market value at February 23, 1938,
 of 1500 shares of the common stock of Aero Industries
 Technical Institute, 5245 West San Fernando Road, Los
 Angeles, California, received in consideration for serving
 on the Board of Directors and Executive Committee of that
 corporation.

E-5



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

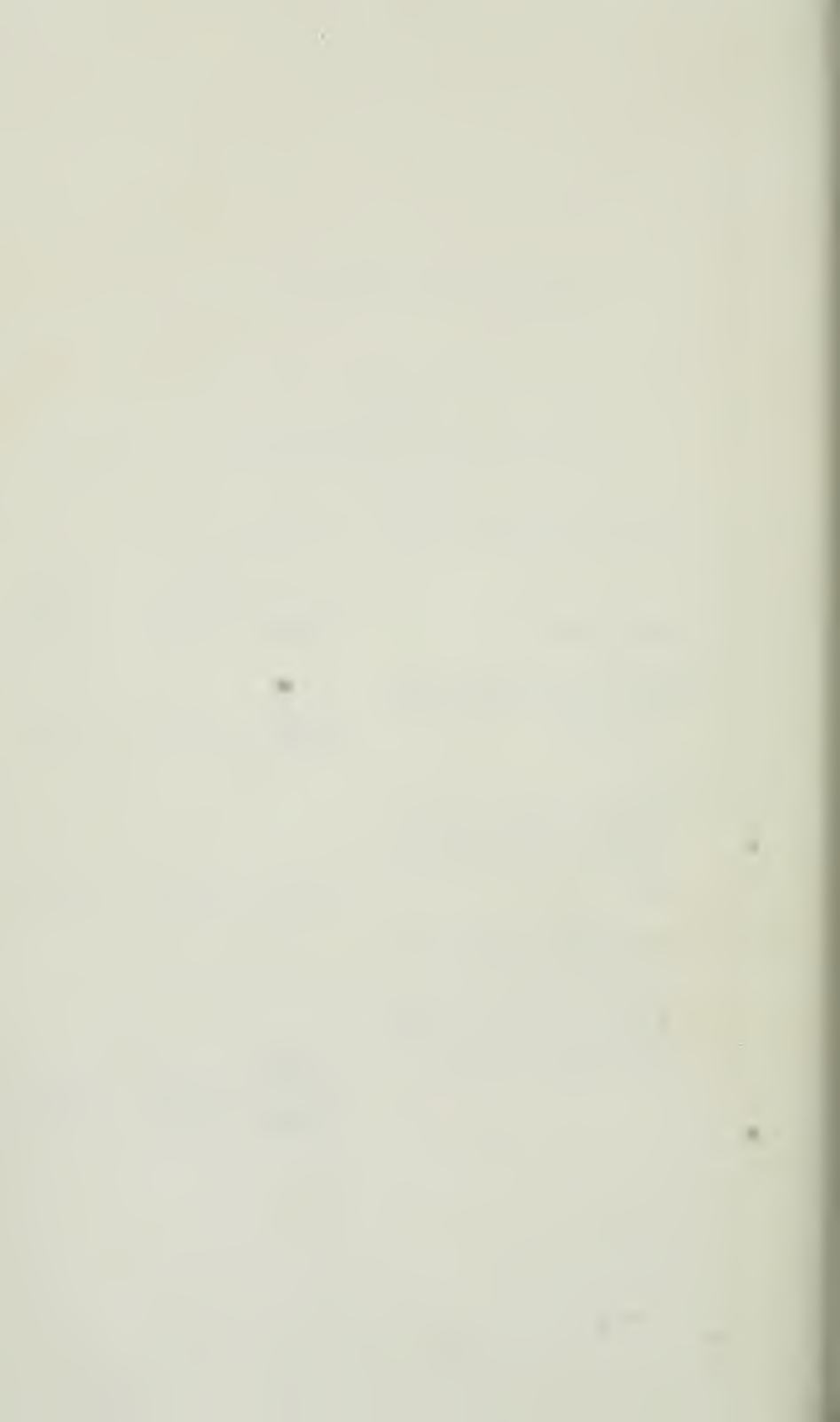
UNITED STATES
INTERNAL REVENUE TAX RETURN
YEAR 1938

C. A. Van Vusen And Sandra V. Van Vusen
3738 Aeryllis Drive, San Diego, California

CONTINUED
Explanation Of Deductions Claimed In Items 13, 14, 17, and 18

	Total	C. A. Van Vusen	Sandra V. Van Vusen
Item 13 - San Diego Community Chest	\$ 60.00	\$ 25.00	\$ 25.00
Item 14 - Interest paid:			
Bank of America, interest on note	\$ 874.99		
Baltimore National Bank, interest on mortgage	375.00		
Total	<u>\$1,249.99</u>	<u>\$ 624.99</u>	<u>\$ 625.00</u>
Item 17 - Bad Debts:			
Uncollectible check for \$750.00 dated May 5, 1938, received from J. H. Luther of San Diego, California, in payment of an Oldsmobile coupe sold April 12, 1938	\$ 750.00	\$ 375.00	\$ 375.00
Item 18 - Other deductions authorized by law:			
Membership fee - Institute of Aeronautical Science	\$ 10.00		
Loss of two months rental on residence at 2811 Freeman Street, San Diego, California, vacated as a result of absence from the United States on business	180.00		
Total	<u>\$ 190.00</u>	<u>\$ 95.00</u>	<u>\$ 95.00</u>
Total	<u>\$2,239.99</u>	<u>\$1,119.99</u>	<u>\$1,120.00</u>

E-4



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO CALIF.

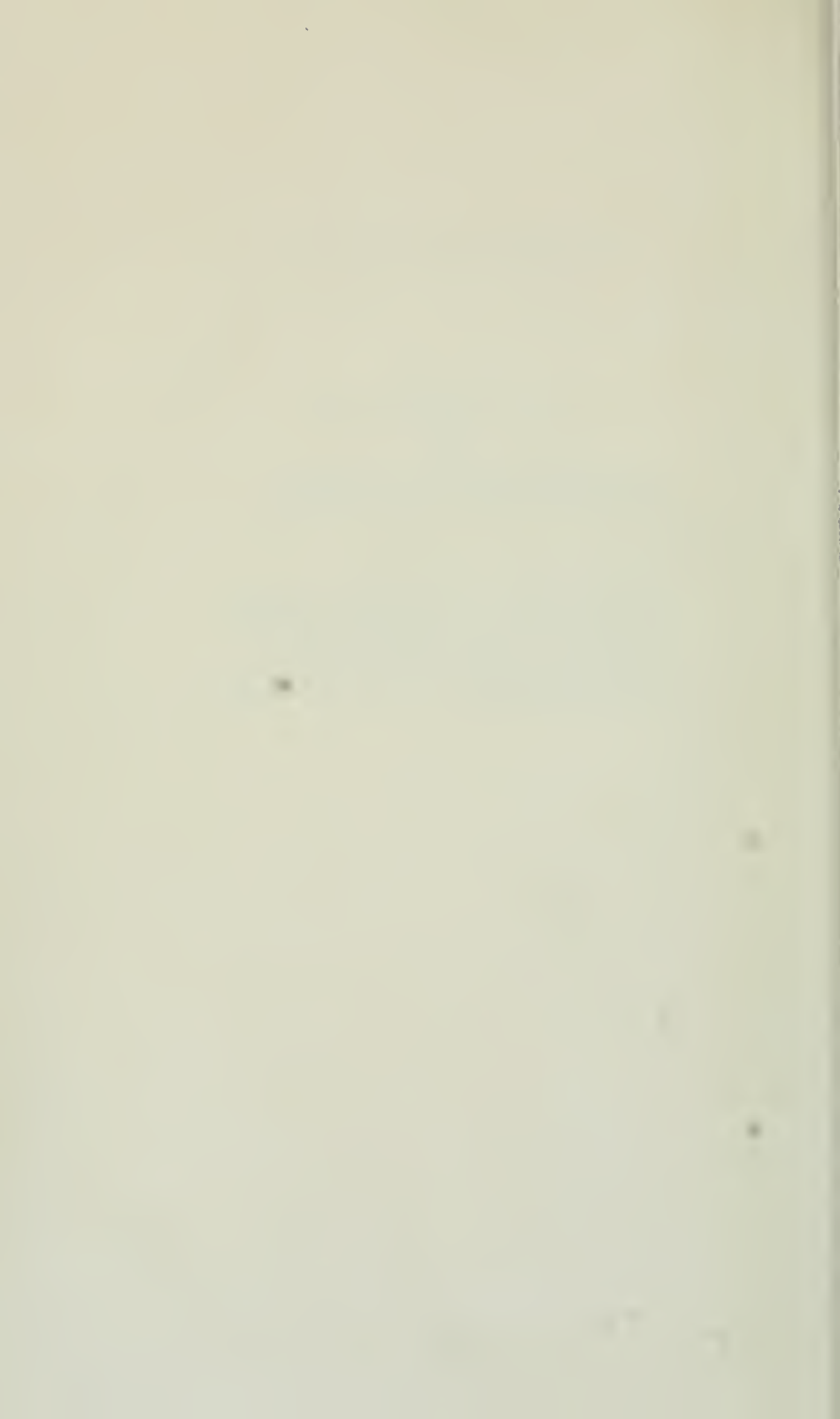
UNITED STATES
INDIVIDUAL INCOME TAX RETURN
YEAR
1968

C. A. Van Dusen And Wanda V. Van Dusen
3788 Anayllis Drive, San Diego, California

Schedule explaining Item 11, Other Income -

The \$1800 represents the fair market value at February 28, 1968, of 1800 shares of the common stock of Aero Industries Technical Institute, 8848 West San Fernando Road, Los Angeles, California, received in consideration for serving on the Board of Directors and Incentive Committee of that corporation.

E-7



1938 INDIVIDUAL INCOME TAX RETURN 1938

(Auditor's Stamp)

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1938

or fiscal year beginning 1938, and ended 1939

(Before Preparing This Return, Read the Instructions Carefully)

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY (See Instruction E)

Wanda V. Van Dusen

(Name) (If married, name of husband and wife, if a joint return)

3738 Anayyllis Drive

(Street and number, or rural route)

San Diego

San Diego

California

(Post office)

(County)

(State)

(Do not use these spaces)

File No. 7-949
Date April 20 1939

RECEIVED
WIFE REMITTANCE
MAR 23 1939
COLL. INT. REV.
LOS ANGELES, CAL.

Cash—Check—M.O.

First Payment

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)
2. Dividends.
3. Interest on bank deposits, notes, mortgages, etc.
4. Interest on corporation bonds.
5. Taxable interest on government obligations, etc. (From Schedule B)
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (For each name and address)
7. Income from fiduciaries. (For each name and address)
8. Rents and royalties. (From Schedule C)
9. Income (or loss) from business or profession. (From Schedule D)
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule E)
- (b) Net long-term gain (or loss) from sale or exchange of capital assets.
- (c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
11. Other income (including income from annuities). (Check sources on separate schedule if necessary)
12. Total income in items 1 to 11. $\frac{1}{2}$ of total income of husband, C.A. Van Dusen

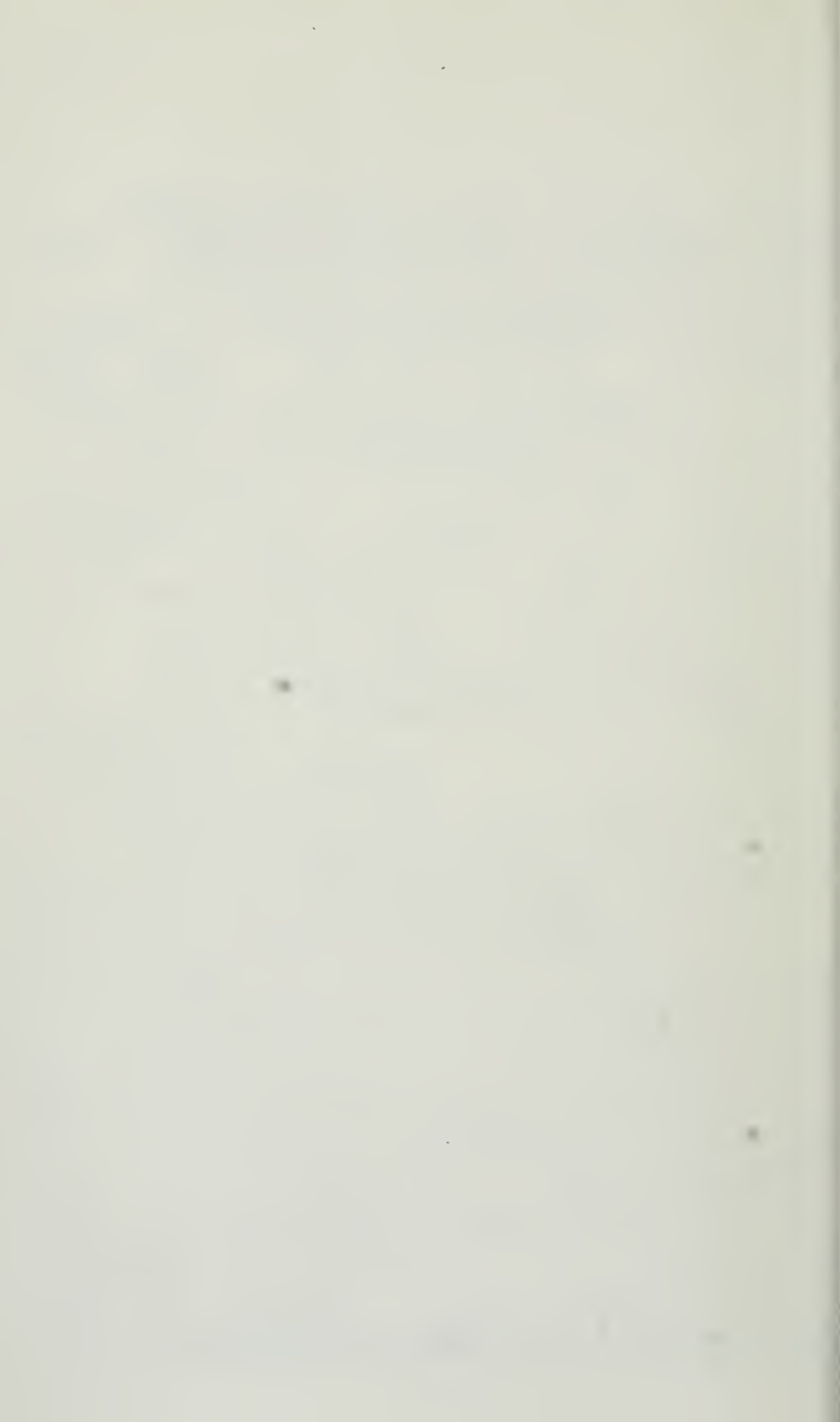
DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)
14. Interest. (Explain in Schedule H)
15. Taxes. (Explain in Schedule H)
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)
17. Bad debts. (Explain in Schedule H)
18. Other deductions authorized by law. (Explain in Schedule H)
19. Total deductions in items 13 to 18.
20. Net income (item 12 minus item 19) Net income of husband, C.A. Van Dusen

COMPUTATION OF TAX

21. Net income (item 20 above) \$ 3,407.31
22. Less: Personal exemption. (From Schedule J-1) \$ 1,450.00
23. Credit for dependents. (From Schedule J-2) 1,450.00
24. Balance (surplus net income) \$ 1,257.31
25. Less: Interest on Government obligations, etc. (See Instruction 25)
26. Earned income credit. (From Schedule K-1 or K-2) 326.96
27. Balance subject to normal tax \$ 1,630.35
28. Normal tax (4% of item 27) \$ 65.22
29. Surplus on item 24. (See Instruction 29)
30. Total (item 28 plus item 29) \$ 65.21
31. Total tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F) \$ 65.21
32. Less: Income tax paid at SOURCE
33. Income tax paid to a foreign country or U.S. possession. (Attach Form 116)
34. Balance of tax (item 31 minus items 32 and 33) \$ 65.21

NOTE—One form marked "DUPLICATE COPY" must be filed with this original return (36 will be assessed if duplicate copy is not filed)



Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer and nature of income	2. Amount	3. Exemptions (item 4)	4. Amount
	\$		\$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			\$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

1. Obligations or securities	2. Amount received at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount or basis of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	*****
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	*****
(c) Obligations of United States issued on or before September 1, 1917			All	*****
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	*****
(e) United States Savings Bonds and Treasury Bonds			\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (applies to Schedule E)	4. Repairs (applies below)	5. Other expenses (includes below)	6. Net profit (includes 2 minus sum of columns 3, 4, and 5) (enter as item 6, page 1)
	\$	\$	\$	\$	\$

Explanation of deductions claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

1. Total receipts (state nature of business or profession)	2. COST OF GOODS SOLD	3. OTHER BUSINESS DEDUCTIONS	4. Total
2. Labor	\$	10. Salaries not included as "Labor" (do not deduct compensation for yourself)	\$
3. Material and supplies		11. Interest on business indebtedness	
4. Merchandise bought for sale		12. Taxes on business and business property	
5. Other costs (includes below)		13. Losses (includes below)	
6. Plus inventory at beginning of year		14. Bad debts arising from sales or services	
7. Total (lines 2 to 6)	\$	15. Depreciation, obsolescence, and depletion (includes in Schedule E)	
8. Less inventory at end of year		16. Rent, repairs, and other expenses (includes below or on separate sheet)	
9. Net cost of goods sold (line 7 minus line 8)	\$	17. Total (lines 10 to 16)	\$
Enter "C," "C or M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		18. Total deductions (line 9 plus line 17)	
		19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)	\$

Explanation of deductions claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (if buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis	4. Assets fully depreciated by use at end of year	5. Depreciation claimed for current year	6. Depreciation claimed for prior years	7. Estimated value at end of year	8. Percentage of depreciation
		\$	\$	\$	\$	\$	



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Page 3

1. Kind of property (If security, state name of issuer; if commodity, state name of commodity)	2. Date acquired	3. Date sold	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (attach in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account
	Mo. Day Year	Mo. Day Year						1. Percentage

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 12 MONTHS

			\$	\$	\$	\$		100
								100
								100
								100

Total net short-term capital gain or loss (enter in line 1, column 2, of summary below)

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 12 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		66 2/3
								66 2/3
								66 2/3
								66 2/3

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		50
								50
								50
								50

Total net long-term capital gain or loss (enter in line 2, column 2, of summary below)

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net gain or loss to be taken into account from column 10, above		3. Net gain or loss to be taken into account from partnership and "common trust funds"		4. Total net gain or loss to be taken into account in columns 2 and 3 of this summary	
	Gain	Loss	Gain	Loss	Gain	Loss
Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 4)	\$	\$	\$	\$	\$	No net loss allowable (See Instruction 10)
Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 4)	\$	\$	\$	\$	\$	\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

COMPUTATION OF ALTERNATIVE TAX

(To be used only in the case of a net long-term capital gain or loss)

1. Net income (line 28, page 1)	\$ 3,407.32	10. Normal tax (4% of line 9)	\$ 72.25
2. (a) Net long-term capital gain (line 10 (a), page 1)	175.85	11. Surtax on line 6 (See Instruction 29)	
(b) Net long-term capital loss (line 10 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$ 72.25
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b))	\$ 3,583.17	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule J-1)	\$ 1,450.00	(b) 30% of net long-term capital loss (30% of line 2 (b))	\$ 52.76
5. Credit for dependents. (From Schedule J-2)	1,450.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$ 19.49
6. Balance (surtax not income)	\$ 2,133.17	15. Total normal tax and surtax (line 20, page 1)	\$ 65.21
7. Less: Interest on Government obligations, etc. (See Instruction 25)		16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	\$ 65.21
8. Earned income credit. (From Schedule K-1 or K-2)	\$ 326.95		
9. Balance subject to normal tax	\$ 1,806.22		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 16)

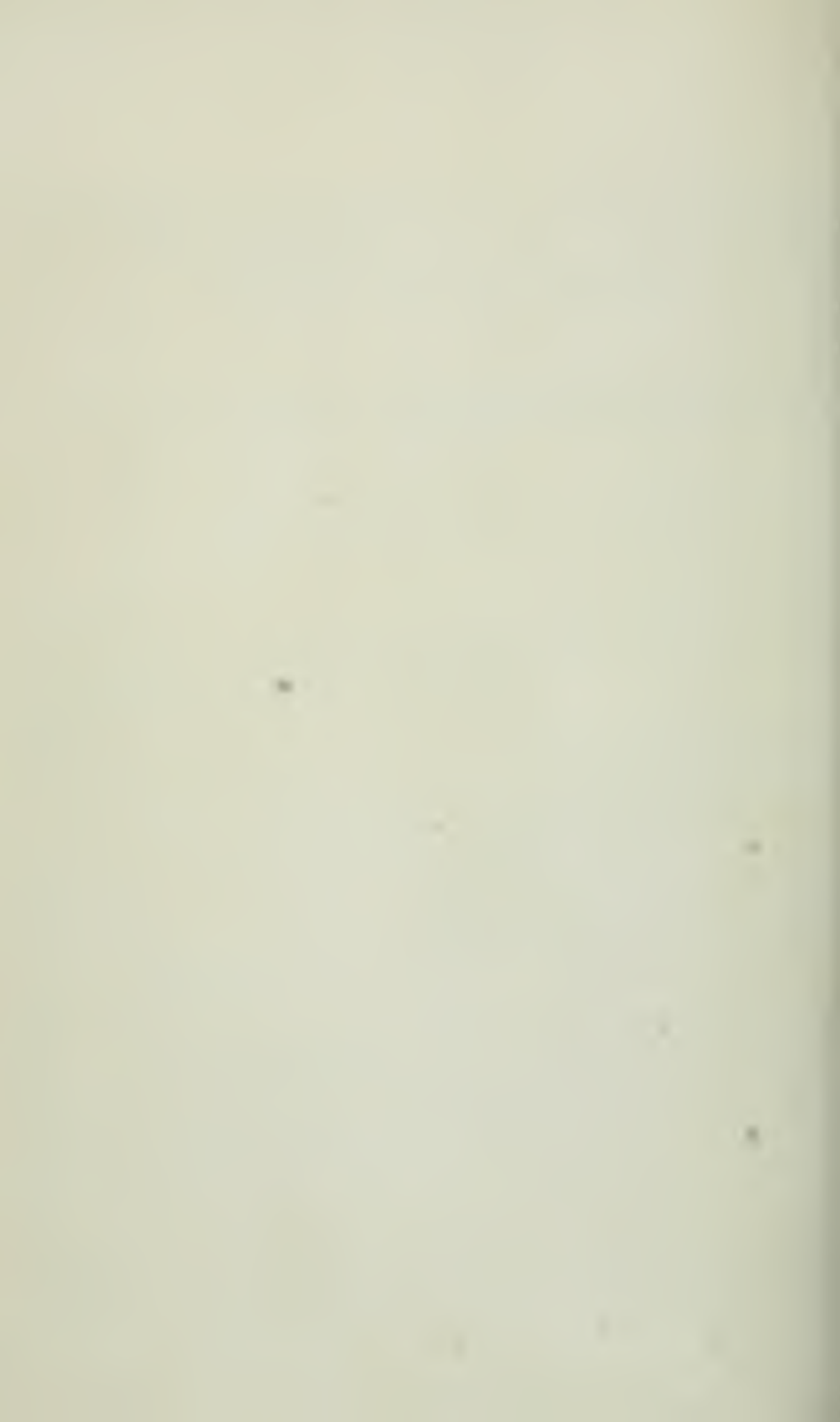
1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (attach in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$

Total net gain (or loss) (enter as item 10 (c), page 1)

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items:

If any of the above items were acquired by you other than by purchase, explain fully how acquired:

D-57702



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Taxes

Item 15: California automobile tax (line) 11.00; 16: Federal stock transfers 1.15; California personal income tax (line) 11.17; Federal tax on club dues: Guyanema Club \$3.00; Bankers' Club \$1.12; and ... country club \$2.30; Federal admission tax on theater tickets \$2.50; total 17.04.
See accompanying schedule H for items 12, 14, 17, and 18

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction 12)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption

(2) Credit for Dependents

Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year		Credit claimed
				Under 18 years old	Over 18 years old	
Single, or married and not living with husband or wife		\$				\$
Married and living with husband or wife	12	1,450.00				
Head of family (explain below)						
1/2 (\$1,450) of personal exemption claimed by husband, C. A. Van Dusen			Reason for support if over 18 years old			

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 25)

(1) If your net income is \$3,000 or less, use only this part of schedule

(2) If your net income is more than \$3,000, use only this part of schedule

Net income (item 20, page 1)	\$	Earned net income (not more than \$14,000)	\$ 3,269.49
Earned income credit (10% of net income, above)		Net income (item 20, page 1)	3,407.31
		Earned income credit (10% of earned net income or net income, above, whichever amount is smaller, but do not enter less than \$300)	326.95

QUESTIONS

1. State your principal occupation or profession. Housewife
2. Check whether you are a citizen ☒ or a resident alien ☐.
3. If you filed a return for the preceding year, to which Collector's office was it sent? Los Angeles, Calif.
4. Are items of income or deductions of both husband and wife included in this return? (See Instruction A) No
5. State name of husband ex wife if a separate return was made; personal exemption, if any, claimed thereon; and the Collector's office to which it was sent C. A. Van Dusen, Personal exemption \$1,050.00, Los Angeles, Calif.
6. Check whether this return was prepared on the cash ☐ or accrual ☐ basis. Cash for Personal
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 402? (Answer "yes" or "no") No (If answer is "yes," attach schedule required by Instruction M.)

AFFIDAVIT. (See Instruction F)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1936 and the regulations issued under authority thereof.

Subscribed and sworn to by Wanda J. Van Dusen Cassidy J. Van Dusen
before me this 22 day of March, 1939.
Jean Hinkley
(Signature) (See Instruction F)

A return made by a married couple is considered to be made by both. (See Instruction F)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouses preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction F)

(If this return was prepared for you by some other person, the following affidavit must be attached)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 1939.

(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Place of tax or employer, if any)



UNITED STATES
INDIVIDUAL INCOME TAX RETURN
YEAR 1938

C. A. Van Dusen And Wanda V. Van Dusen
3738 Amaryllis Drive, San Diego, California

SCHEDULE H

Explanation Of Deductions Claimed In Items 13, 14, 17, and 18

	<u>Total</u>	<u>C. A. Van Dusen</u>	<u>Wanda V. Van Dusen</u>
Item 13 - San Diego Community Chest	\$ 80.00	\$ 25.00	\$ 25.00
Item 14 - Interest paid:			
Bank of America, interest on note	\$ 874.99		
Baltimore National Bank, interest			
on mortgage	375.00		
Total	<u>\$1,249.99</u>	<u>\$ 624.99</u>	<u>\$ 625.00</u>
Item 17 - Bad debts:			
Uncollectible check for \$750.00			
dated May 5, 1938, received			
from J. H. Luther of San Diego,			
California, in payment of an			
Oldsmobile coupe sold April 12,			
1938	\$ 750.00	\$ 375.00	\$ 375.00
Item 18 - Other deductions authorized by law:			
Membership fee - Institute of			
Aeronautical Science	\$ 12.00		
Loss of two months rental on			
residence at 3211 Freeman Street,			
San Diego, California, vacated			
as a result of absence from			
the United States on business	180.00		
Total	<u>\$ 192.00</u>	<u>\$ 96.00</u>	<u>\$ 96.00</u>
Total	<u>\$2,336.99</u>	<u>\$1,119.99</u>	<u>\$1,119.00</u>

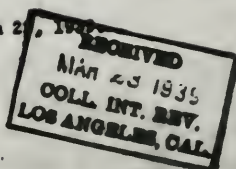


*Look up
Hawkins
see if we requested
for Wanda Van Dusen*

C. A. VAN DUSEN

Treasury Department
Internal Revenue Service
939 Broadway
Los Angeles, Calif.

March 21, 1936



Gentlemen:

I am enclosing herewith separate income tax returns for the calendar year 1935 for Wanda V. Van Dusen and for myself, C. A. Van Dusen.

I am also enclosing checks, one in the amount of \$85.84 for Mrs. Van Dusen's income tax, including 33% interest, and a check in the amount of \$85.27 for my income tax, including 33% interest. The interest is included in accordance with your letter of extension of time dated March 10, 1935, copy of which is attached to each of the income tax returns.

Very truly yours,

C. A. Van Dusen.

Encls.
c/o Consolidated Aircraft Corporation
Lindbergh Field, San Diego, Calif.



UNITED STATES INDIVIDUAL INCOME TAX RETURN 1939

Page 1

(Auditor's Stamp)
REVIEWED
AUDIT REVIEW DIVISION E
By Inez Justus
DATE MAY 8 1940

FOR NET INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES,
DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM
OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1939

or fiscal year beginning _____, 1938, and ended _____, 1940

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instructions C)

Wanda V. Van Dusen
(Name) (Use given names of both husband and wife, if this is a joint return)

6738 Amaryllis Drive
(Street and number, or rural route)

San Diego, San Diego, California
(Post office) (County) (State)

(Do not use these spaces)
File Code 2949
Serial No. 285860
District 8-CALIF
(Collector's Stamp)
WITH REMITTANCE
MAY 15 1940
COLL INT REV
LOS ANGELES, CAL.
CUSTO-M.O.
549

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)
2. Dividends
3. Interest on bank deposits, notes, mortgages, etc.
4. Interest on corporation bonds
5. Taxable interest on Government obligations, etc. (From Schedule B)
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses)
7. Income from salaries. (Furnish names and addresses)
8. Rents and royalties. (From Schedule C)
9. Income (or loss) from business or profession. (From Schedule D)
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule E)
- (b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)
- (c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
11. Other income (including income from annuities) (State source)
12. Total income in items 1 to 11. (Enter amounts from Schedule I)

POSTAL
MAY 21 1940
DATE

RECEIVED
MAY 21 1940
TAX OFFICE

DEDUCTIONS of total income of
husband, C. A. Van Dusen

13. Contributions paid. (Exempt in Schedule H)
14. Interest. (Exempt in Schedule H)
15. Taxes. (Exempt in Schedule H)
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Exempt in Schedule H)
17. Bad debts. (Exempt in Schedule H)
18. Other deductions authorized by law. (Exempt in Schedule H)
19. Total deductions in items 13 to 18
20. Net income (from item 12 minus item 19)

8,339.21
12.50
1114.00
687.76
5.00
1,819.26
6,519.95

COMPUTATION OF TAX

21. Net income (from item 20 above)	\$ 6,519.95	26. Normal tax (4% of item 27)	\$ 176.72
22. Less: Personal exemption.		29. Surtax on item 24. (See Instructions 29)	42.80
(From Schedule F-1)	\$1,450.00	30. Total (item 26 plus item 29)	\$ 219.52
Credit for dependents.		31. Total tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	\$ 219.52
(From Schedule F-2)	\$1,450.00		
24. Balance (surplus net income)	\$ 5,069.95	32. Less: Income tax paid at source.	
25. Less: Interest on Government obligations. (See Instructions 25)		33. Income tax paid to a foreign country or U.S. possession. (Attach Form 114)	
Excess income credit.			
(From Schedule D-4 or D-5)	652.00		
27. Balance subject to normal tax	\$ 4,417.95	34. Balance of tax (item 31 minus items 32 and 33)	\$ 219.52

NOTE—One form marked "DUPLICATE COPY" must be filed with this original return (it will be assessed if duplicate copy is not filed)

E. X. F.

10-1086



1. Name and address of employer and nature of income				2. Amount		3. Excess (losses)		4. Amount	
				8				9	
Total of column 2 minus total of column 4 (enter as item 1, page 1)								9	

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction C)

1. Obligations or securities	2. Amount (in full) and of what including post-preparation interest of such obligations held by estate trust or partner, assignee, or common trust funds	3. Interest received or accrued during the year	4. Interest exempt from taxation	5. Interest on amount in excess of exemption
a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	XXXXXXXXXX
b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	XXXXXXXXXX
c) Obligations of United States issued on or before September 1, 1917			All	XXXXXXXXXX
d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	XXXXXXXXXX
e) United States Savings Bonds and Treasury Bonds				
f) Obligations of instrumentalities of the United States (other than obligations to be reported in (H) above)			\$	\$
			None	
Total (under as item 5, page 1)				\$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction B)

[illegible]

Explanation of deductions
claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See instruction #)

State business name and address if different from name and address on page 1

Total receipts (state nature of business or profession)

COST OF GOODS SOLD		OTHER BUSINESS DEDUCTIONS	
1. Labor		10. Salaries not included as "Labor" (do not deduct compensation for yourself)	
2. Material and supplies		11. Interest on business indebtedness	
3. Merchandise bought for sale		12. Taxes on business and business property	
4. Other costs (itemize below)		13. Losses (explain below)	
5. Plus inventory at beginning of year		14. Bad debts arising from sales or services	
6. Total (lines 2 to 5)		15. Depreciation, obsolescence, and depletion (explain in Schedule E)	
7. Less inventory at end of year		16. Rent, repairs, and other expenses (itemize below or on separate sheet)	
8. Net cost of goods sold (line 7 minus line 6)		17. Total (lines 10 to 16)	
<p>If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," "C" or "M," on lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.</p>		18. Total deductions (line 9 plus line 17)	
		19. Net profit (or loss) (line 1 minus line 18) (enter as item 9, page 1)	

Explanation of deductions
claimed in lines 5, 13, and 16

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

[illegible]



17

Page 3

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

Kind of property (if primary with a statement of descriptive title not shown below)	2. Date acquired	3. Date sold	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913 (explain in Schedule E)	7. Depreciation allowed (or allowable) after acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 6 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
	Mo. Day Year	Mo. Day Year						Per centage	10. Amount

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS

			\$	\$	\$	\$		100	\$
								100	
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		66 2/3	\$
								66 2/3	
								66 2/3	
								66 2/3	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital gain or loss of preceding taxable year (not in excess of net income for each year)		3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and "common trust funds"		5. Total net gain or loss to be taken into account or columns 2, 3, and 4 of this summary	
	Gain	Loss	Gain	Loss	Gain	Loss	Gain	Loss
Total net short-term capital gain or loss (enter as item 10 (a), page 1, amount of gain shown in column 5).....	\$	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 10)
Total net long-term capital gain or loss (enter as item 10 (b), page 1, amount of gain or loss shown in column 5).....	\$	\$	\$	\$	\$	\$	\$	\$

Is the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items: _____

Any of the above items were acquired by you other than by purchase, explain fully how acquired: _____

**COMPUTATION OF ALTERNATIVE TAX
(To be used only in the case of a net long-term capital gain or loss)**

Net income (item 20, page 1). (See Instruction 10).....	\$	10. Normal tax (4% of line 9).....	\$
(a) Net long-term capital gain (item 10 (b), page 1).....		11. Surtax on line 6. (See Instruction 29).....	
(b) Net long-term capital loss (item 10 (b), page 1).....		12. Partial tax (line 10 plus line 11).....	\$
Ordinary net income (line 1 minus line 3 (a) or line 1 plus line 2 (b)). (See Instruction 10).....	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a)).....	
Less: Personal exemption. (From Schedule J-1).....	\$	(b) 30% of net long-term capital loss (30% of line 2 (b)).....	
Credit for dependents. (From Schedule J-2).....	\$	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b)).....	\$
Balance (surtax net income).....	\$	15. Total normal tax and surtax (item 30, page 1).....	\$
Less: Interest on Government obligations, etc. (See Instruction 25).....	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lower; if a net long-term capital loss on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1).....	\$
Earned income credit. (From Schedule K-1 or K-2). (See last 10).....	\$		
Balance subject to normal tax.....	\$		

**Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS
(See Instruction 10)**

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) upon acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	
Total net gain (or loss) (enter as item 10 (c), page 1).....						

Is the family, fiduciary, or business relationship to you, if any, of purchaser of any of the above items: _____

Any of the above items were acquired by you other than by purchase, explain fully how acquired: _____



Schedule B.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 12, 14, 15, 16, 17, AND 18

Page 4

1. Item No.	2. Explanation	3. Amount	4. Item No. (Continued)	5. Explanation (Continued)	6. Amount (Continued)
		\$			\$

Schedule C.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction C)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(A) Personal Exemption			(B) Credit for Dependents		
Name	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old Over 18 years old	Credit claimed
Self, or married and not living with husband or wife		\$			\$
Child and living with husband or wife	12	1,450.00			
Child (single below)					
Balance of personal exemption claimed			Reason for support if over 18 years old		
Husband, C. A. Van Dusen					

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(A) If your net income is \$5,000 or less, use only this part of schedule	(B) If your net income is more than \$5,000, use only this part of schedule
Net income (Item 20, page 1).....	or husband's salary
Net income credit (10% of net income).....	Earned net income (not more than \$14,000).....
	Net income (Item 20, page 1).....
	Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300).....
	652.00

QUESTIONS

- State your principal occupation or profession Housewife
- Check whether you are a citizen ☒ or a resident alien ☐.
- If you filed a return for the preceding year, to which Collector's office was it sent? Los Angeles, California
- Amount of income or deductions of both husband and wife included in this return? No
- State (a) Name of husband or wife if separate return was made C. A. Van Dusen
- (b) Personal exemption, if any, claimed thereon \$1,050.00
- (c) Collector's office to which it was sent Los Angeles, Cal.
6. Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501? (Answer "yes" or "no") No (If answer is "yes," attach statement required by instruction J.)

AFFIDAVIT. (See Instruction E)

I, Wanda L. Van Dusen, do hereby swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code, as amended, and the regulations issued under authority thereof.

Prepared and sworn to by Wanda L. Van Dusen

Sworn on this 15 day of March, 1940

Wanda L. Van Dusen
(Signature) (See Instruction E)

A return made by or for must be accompanied by power of attorney. (See Instruction E.)

My Commission expires March 1, 1940 AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I, John H. H. H., do hereby swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Prepared and sworn to before me this _____ day

1940



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1939

C. A. VAN DUSEN AND WANDA V. VAN DUSEN.
3738 AMARYLLIS DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE E.

EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14 AND 15

	TOTAL	C. A. VAN DUSEN	WANDA V. VAN DUSEN
ITEM 13 - CONTRIBUTIONS:			
San Diego Community Chest	\$ 25.00	\$ 12.50	\$ 12.50
ITEM 14 - INTEREST PAID:			
Bank of America, note	\$1444.45	\$ 722.23	\$ 722.22
Baltimore National Bank, mortgage on dwelling house	750.00	375.00	375.00
California personal income tax deficiency assessment for the years 1935, 1936 and 1937	4.14	1.89	2.25
Federal personal income tax deficiency assessment for year 1936	19.39	4.06	14.53
Total	\$2217.98	\$ 1105.98	\$ 1114.00
ITEM 15 - TAXES:			
San Diego County personal property	\$ 36.99	\$ 18.49	\$ 18.50
Baltimore real estate tax - 1935	597.37	298.68	298.69
1936	540.94	270.47	270.47
Stock transfer tax	106.51	53.16	53.15
California personal income tax			
1935	6.95	6.95	
1936	24.10	6.55	18.55
1937	.78	.38	.38
1938	15.20	7.60	7.60
Federal tax on club dues			
LaJolla Country Club	10.80	5.40	5.40
Olympian Club	7.20	3.60	3.60
LaJolla Beach & Tennis Club	3.60	1.80	1.80
Bankers Club	2.25	1.12	1.13
Federal admission tax on theater tickets	5.00	2.50	2.50
Automobile license plates	13.50	6.75	6.75
Total	\$1569.43	681.67	687.76
ITEM 16 - Other deductions authorized by law:			
Membership fee - Institute of Aeronautical Science	\$ 10.00	5.00	5.00

F-5



UNITED STATES NOT INVESTIGATED INCOME AND DEFENSE TAX RETURN 1940

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN \$5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

(Do not use these spaces)

REVIEWED
AUDIT REVIEW DIVISION

By: H. Rosen

DATE: MAR 10 1941

For Calendar Year 1940

or fiscal year beginning 1940, and ended 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

Wanda Y. Van Dusen

(Name) (Use given names of both husband and wife, if in community property state)

2626 Peinsettia Drive (Formerly 1738 Maryland Drive)

(Street and number, or rural route)

San Diego

(Post office)

San Diego

(County)

California

(State)

Cash—Check—M. O.

Post Payment

202468

2849

RECEIVED
WITH REMITTANCE
MAR 13 1941
COLL. INT. REV.
LOS ANGELES, CALIF.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)
2. Dividends
3. Interest on bank deposits, notes, mortgages, etc.
4. Interest on corporation bonds
5. Taxable interest on Government obligations, etc. (From Schedule B)
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses)
(Provide names and addresses)
7. Income from fiduciaries. (Provide names and addresses)
8. Rents and royalties. (From Schedule C)
9. Income (or loss) from business or profession. (From Schedule D)
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
- (b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)
- (c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
11. Other income (including income from annuities). (State amount)
12. Total income in items 1 to 11. (Enter ascertainable income in Schedule I)

DEDUCTIONS

13. Contributions paid. (Schedule to Schedule H)
14. Interest. (Schedule to Schedule H)
15. Taxes. (Schedule to Schedule H)
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Schedule to Schedule H)
17. Bad debts. (Schedule to Schedule H)
18. Other deductions authorized by law. (Schedule to Schedule H)
19. Total deductions in items 13 to 18

20. Net income (item 12 minus item 19) **or net income of husband, G. A. Van Dusen**

\$ 18,808 10

COMPUTATION OF TAX

21. Net income (item 20 above)	\$ 18,808 10	28. Normal tax (4% of item 27)	\$ 947 88
22. Less: Personal exemption. (From Schedule J-1)	\$ 1,800 00	29. Surtax on item 24. (See Instruction 29)	\$ 1,324 84
23. Credit for dependents. (From Schedule J-2)	1,800 00	30. Total (item 28 plus item 29)	\$ 1,981 84
24. Balance (surtax net income)	\$ 17,808 10	31. Total income tax (item 30, or if you had a net long-term capital gain or loss, enter item 10, Schedule F)	\$ 1,981 84
25. Less: Interest on Government obligations, etc. (See Instruction 25)	\$	32. LESS: Income tax paid or accrued	\$
26. Earned income credit. (From Schedule K-1 or K-2)	1,121 18	33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1140)	
27. Balance subject to normal tax	\$ 16,181 97	34. Balance of income tax (item 31 minus items 32 and 33)	\$ 1,981 84
		35. Defense tax (10% of item 31). (See Instruction 35)	198 18
		36. Total income and defense taxes due (From 34 plus item 35)	\$ 2,180 02

NOTE—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for hereon must be set forth FULLY and CLEARLY.

E. X. G.



A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name of employer—If a governmental unit, indicate whether Federal, State, or Local	2. Amount	3. Expenses (deduct)	4. Amount
\$			\$

of column 2 minus total of column 4 (enter on item 1, page 1)

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligation or exemption	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal interest on which is exempt from taxation	5. Interest on amount in excess of exemption
of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$	\$	All	XXXXXX XX
issued under Federal Farm Loan Act, or under such Act			All	XXXXXX XX
of United States issued on or before September 1, 1917			All	XXXXXX XX
Navy, Treasury Bills, and Treasury Certificates of Indebtedness			All	XXXXXX XX
State Savings Bonds and Treasury Bonds			\$5,000	\$
of indebtedness of the United States (other than those to be reported in (5) above)			None	
				\$

total (enter on item 5, page 1)

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction G)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter on item 6, page 1)
\$	\$	\$	\$	\$	\$

of deductions claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction G)

 of business (2) number of places of business (3) business name
 where if different from name and address on page 1
 type

LIST OF GOODS SOLD

on inventory on so itemizing (attach)

at beginning of year

also bought for sale

and supplies

in (explain below)

of item 2 to 6

ending at end of year

of goods sold (line 7 minus line 6)

less (line 1 minus line 9)

OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)

12. Interest on business indebtedness

13. Taxes on business and business property

14. Losses (explain below)

15. Bad debts arising from sales or services

16. Depreciation, obsolescence, and depletion (explain in Schedule E)

17. Rent, repairs, and other expenses (explain below or on separate sheet)

18. Total of lines 11 to 17

19. Net profit (or loss) (line 1 minus line 9 and 18) (enter on item 9, page 1)

production, manufacture, purchase and sale of merchandise in an income-producing factor, inventories are required. Enter "C," or "C or M," on line 2 and 8 to show for inventories are valued at cost, or cost or market, whichever is lower.

of deductions claimed in lines 6, 14, and 17

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (state material of which constructed)	2. Date acquired	3. Cost or other basis (do not include land or other nondepreciable property)	4. Asset fully depreciated by use at end of year	5. Depreciation claimed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated life from beginning of year	9. Depreciation allowable this year
\$		\$		\$	\$			\$



Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) after acquisition or March 1, 1913 (attach to Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$

			\$	\$	\$	\$	\$	66 2/3	\$	
								66 2/3		
								66 2/3		
								66 2/3		

			\$	\$	\$	\$	\$	50		
								50		
								50		
								50		
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)										

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year that is carried over to this year	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from column 11, above		5. Total net gain or loss to be taken into account in column 2, A, add 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
Total net short-term capital gain or loss (enter on line 10 (a), page 1, amount of gain shown in column 3)	\$	\$	\$	\$	\$	\$	Do not take into account
Total net long-term capital gain or loss (enter on line 10 (b), page 1, amount of gain or loss shown in column 3)	\$	\$	\$	\$	\$	\$	

COMPUTATION OF ALTERNATIVE TAX

Use only (1) if you had a net long-term capital gain, and Form 24, page 7, exceeds \$22,000
OR if you had a net long-term capital loss, and such loss plus item 24, page 1, exceeds \$22,000

Net income (item 28, page 1). (See Instruction 10)	\$ 12,802.10	10. Normal tax (4% of line 9)	\$ 511.28
(a) Net long-term capital gain (item 10 (b), page 1)		11. Surtax on line 6. (See Instruction 29)	2,200.00
(b) Net long-term capital loss (item 10 (b), page 1)	106.81	12. Partial tax (line 10 plus line 11)	2,000.00
Ordinary net income (line 1 column line 3 (a) or line 1 plus line 2 (b)). (See Instruction 10)	\$ 12,695.29	13. (a) 30% of net long-term capital gain (0% of line 2 (a))	
Less: Personal exemption. (From Schedule J-1)	\$ 1,200.00	(b) 30% of net long-term capital loss (0% of line 2 (b))	
Credit for dependents. (From Schedule J-2)	-	14. Alternative tax (line 12 plus line 13 (a) or line 12 column line 13 (b))	2,000.00
Balance (before net income)	\$ 17,410.00	15. Total normal tax and surtax (item 32, page 1)	2,000.00
Less: Interest on Government obligations, etc. (See Instruction 25)	\$	16. Tax liability (if a net long-term capital gain on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter on item 34, page 1)	2,000.00
Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)	112,215		
Balance subject to normal tax	\$ 16,295.00		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) after acquisition or March 1, 1913 (attach to Schedule E)	7. Gain or loss (column 3 plus column 5 minus the sum of columns 4 and 6)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter on item 10 (c), page 1)						

Indicate the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page
If any of such items were acquired by you other than by purchase, explain fully how acquired



Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

Page 4

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
		\$			\$

Schedule L.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction C)

1. Source of income	2. Nature of income	3. Amount
		\$

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(A) Personal Exemption			(B) Credit for Dependents		
Date	Number of credits during the year to each status	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old Over 18 years old	Credit claimed
Single, or married and not living with husband or wife.		\$			\$
Married and living with husband or wife.	12	1,200.00			
Head of family (explain below).					
8000.00 balance of personal exemption claimed by husband, G. A. Van Dusen			Reason for support if over 18 years old		

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(1) If your net income is \$3,000 or less, use only this part of schedule	(2) If your net income is more than \$3,000, use only this part of schedule
Net income (Item 20, page 1)	of husband's salary
Earned income credit (10% of net income, above)	Earned net income (not more than \$14,000)
	Net income (Item 20, page 1)
	Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)

QUESTIONS

- State your principal occupation or profession. Housewife
- Check whether you are a citizen ☐ or a resident alien ☐.
- Did you file a return for any prior year? Yes. If so, what was the latest year? 1938. To which Collector's office was it sent? Los Angeles, Calif.
- Are there any income or deductions of both husband and wife included in this return? No
- State (a) Name of husband or wife if separate return was made G. A. Van Dusen
- Personal exemption, if any, claimed thereon \$800.00
- Collector's office to which it was sent Los Angeles, Cal.
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? (Answer "yes" or "no") No (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by Wanda J. Van Dusen (Mrs.) Wanda J. Van Dusen
before me this 12 day of March, 1941.
Jane Frances Olson
(Signature and title of officer administering oaths Aug. 7, 1940)
A return made by an agent shall be accompanied by power of attorney. (See Instruction L)

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
of _____, 1941.



(Signature and title of officer administering oaths)

U. S. GOVERNMENT PRINTING OFFICE 16-17284

(Signature of person preparing the return)

(Signature of person preparing the return)

(Name of firm or employer, if any)

GH



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1940

C. A. VAN DUSEN AND WANDA V. VAN DUSEN.
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE A
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 1

ITEM 1 - INCOME:

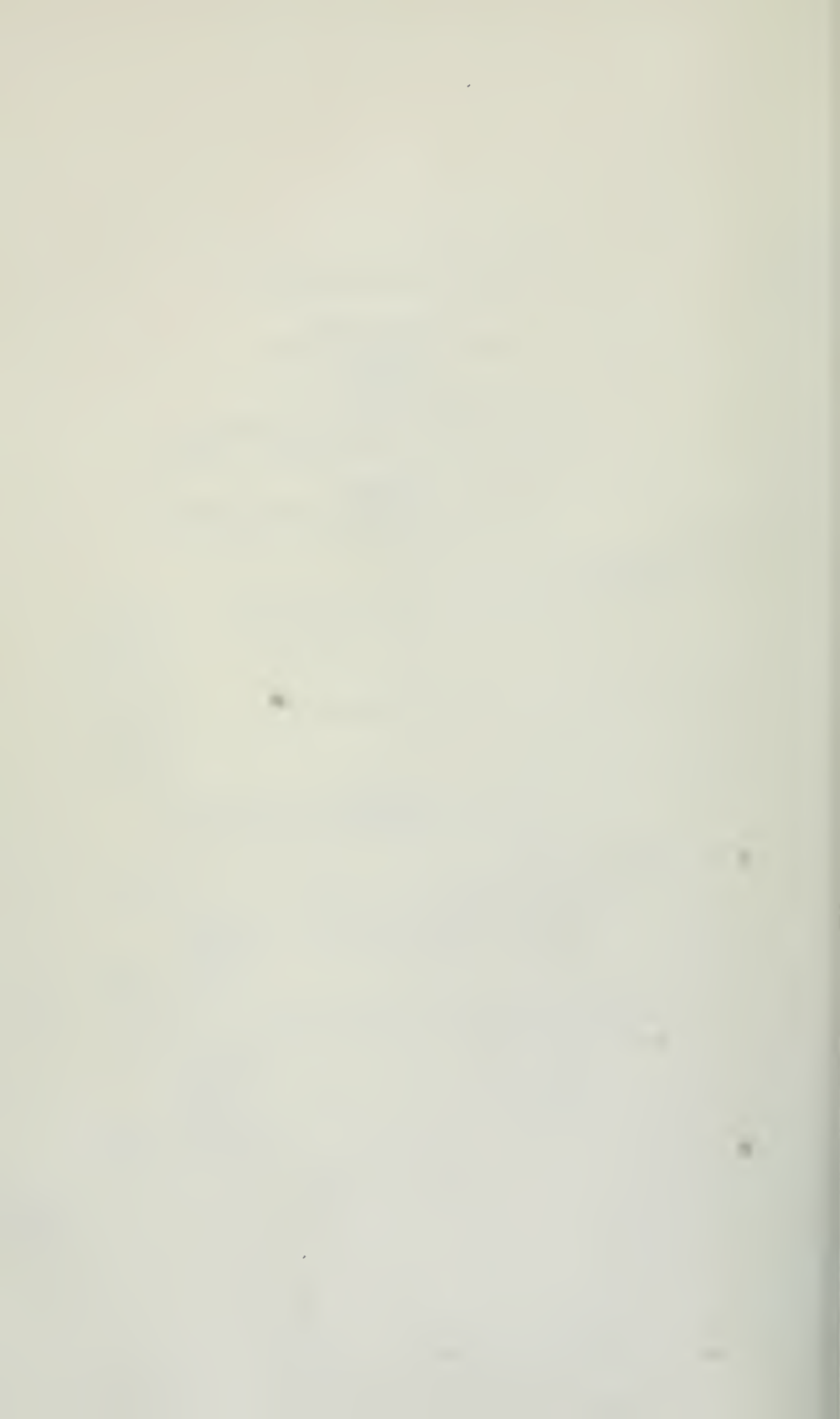
Consolidated Aircraft Corp., Lindbergh Field, San Diego, Cal. - Gross Salary	\$22,442.50
Aero Industries Technical Inst. - Director's fee	10.00
	<u>\$22,452.50</u>
Less California Unemployment Insurance tax	50.00
	<u>\$22,402.50</u>

SCHEDULE C
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 2

ITEM 2 - RENTS AND REVALUATING:

Northall, Inc. royalty on square shears	\$ 3,430.16
Expenses: (Column 5)	
3 trips to Los Angeles at \$50 each -	\$150.00
Square shear accounting service	100.00
" " draftsman "	10.00
	<u>260.00</u>
	\$3,160.16
Rental from dwelling house at 107 Upper Road, Baltimore, Maryland	\$1,230.00
Depreciation	\$1,435.00
Repairs	74.23
Maintenance tax	26.80
Commission	66.00
Legal fees	58.27
	<u>1,648.00</u>
	418.00
	<u>\$2,742.16</u>

LOSS



CONSOLIDATED AIRCRAFT CORPORATION
LINDBERGH FIELD, SAN DIEGO, CALIF.

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1940

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE H
EXPLANATION OF DEDUCTIONS CLAIMED IN
ITEMS 13, 14, 15 and 16.

ITEM 13 - CONTRIBUTIONS:

San Diego Community Chest \$ 25.00

ITEM 14 - INTEREST:

Bank of America note \$1,230.00

Baltimore National Bank, mortgage on dwelling
house 750.00

\$1,970.00

ITEM 15 - TAXES:

San Diego County personal property \$ 40.82

Baltimore real estate tax 573.05

New York personal income tax deficiency
assessment for 1935 76.51

California personal income tax for 1939:

Wanda V. Van Dusen \$ 51.91

C. A. Van Dusen 52.12

104.03

Federal tax on club dues:

LaJolla Country Club 10.00

Coymanas Club 7.50

LaJolla Beach & Tennis Club 3.00

Bunkers Club of America 2.50

Federal Admission tax on theater tickets 5.00

Automobile licence plates \$ 13.15

12.72

25.87

\$ 845.25

ITEM 16 - OTHER DEDUCTIONS AUTHORIZED BY LAW:

Membership fee - Inst. of Aeronautical Sciences \$ 20.00

Legal fees in connection with defense of double

liability on Baltimore Trust Company stock 500.00

\$ 520.00



UNITED STATES
INDIVIDUAL INCOME TAX RETURN

Page 1
1941

(Auditor's Stamp)

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN \$2,000 AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUITIES, OR BENEFITS.

For Calendar Year 1941

or fiscal year beginning 1941, and ending 1942

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the 10th month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instructions on 7)

Wanda Y. Van Dusen

(Please) (See place names of both husband and wife, if this is a joint return)

2668 Poinsettia Drive

(Street and number, or rural route)

San Diego, San Diego, California

(Post office)

(State)

(City)

(Do not use these spaces)
E 2949
K 918487
MAR 16 1942
COLL. INT. REV.
LOS ANGELES, CALIF.

INCOME

1. Salaries and other compensation for personal services, \$
 2. Dividends
 3. Interest on (A) bank deposits, notes, etc., \$; (B) corporation bonds, \$
 4. Interest on Government obligations, etc.:
(a) From line (B), Schedule A, \$; (b) from line (f), Schedule A, \$
 5. Rents and royalties. (See Schedule B)
 6. Annuities
- ITEMS 7, 8, AND 9, BELOW (AND PAGES 2 AND 3 HEREIN) MUST BE COMPLETED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.
7. (a) Net short-term gain from sale or exchange of capital assets. (See Schedule F)
 - (b) Net long-term gain (or loss) from sale or exchange of capital assets. (See Schedule F)
 - (c) Net gain (or loss) from sale or exchange of property other than capital assets. (See Schedule G)
 8. Net profit (or loss) from business or profession. (See Schedule H)
 - (State total receipts, from line 1, Schedule H, \$)
 9. Income (or loss) from partnerships; fiduciary income; and other income. (See Schedule I)
 10. Total income in items 1 to 9.

DEDUCTIONS

11. Contributions paid. (Schedule to Schedule C)
12. Interest. (Schedule to Schedule C)
13. Taxes. (Schedule to Schedule C)
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Schedule to Schedule C)
15. Bad debts. (Schedule to Schedule C)
16. Other deductions authorized by law. (Schedule to Schedule C)
17. Total deductions in items 11 to 16.
18. Net income (from item 10 minus item 17) of net income of husband, Van Dusen

COMPUTATION OF TAX

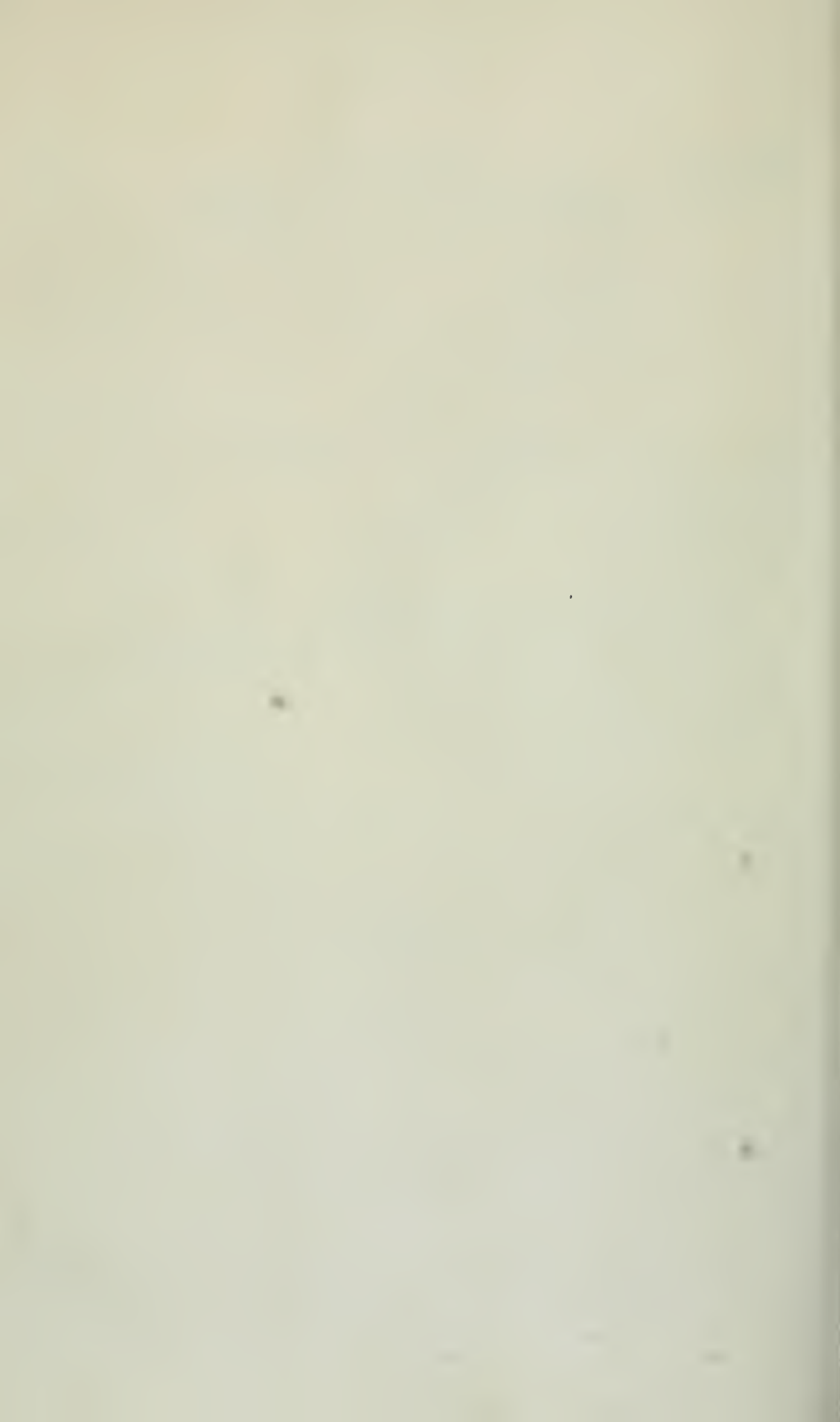
19. Net income (from item 18 above)	\$ 87,862.08	26. Normal tax (4% of item 29)	\$ 3,514.50
20. Less: Personal exemption. (See Schedule D-1)	\$ 200.00	27. Surtax on item 22. (See Instructions)	\$ 22,400.00
21. Credit for dependents. (See Schedule D-2)	\$ 200.00	28. Total (item 26 plus item 27)	\$ 25,914.50
22. Balance (surtax net income)	\$ 87,862.08	29. Total tax (from item 28 plus item 27)	\$ 29,428.50
23. Less: Item 4 (a) above	\$	30. Less: Income tax paid as credits	\$
24. Earned income credit. (See Schedule E-1 or E-2)	\$ 1,400.00	31. Balance of tax (from item 29 minus item 30)	\$ 29,428.50
25. Balance subject to normal tax	\$ 85,862.08		

I (we) swear (or affirm) that this return (including any accompanying schedules and statements) has been made to the best of my (our) knowledge and belief is a true, correct, and complete return, made in good faith, for purposes of the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by Wanda Y. Van Dusen Wanda Y. Van Dusen
before me this 14 day of March 1942

Jan P. ...
A notary public in and for the State of California. (See Instructions 23)
If this is a joint return (and made by spouse), it must be signed by both husband and wife. It must be sworn to before a proper officer for the purpose of verifying the return of this income, and transmitted for use by some other person, this document can have a joint return prepared by Commission Expires Aug. 7, 1943.

EX. H.



Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

Page 2

1. Obligations or accounts	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal, interest on which is exempt from taxation	5. Interest on amount in excess of exemption, and dividends subject to surtax only
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$.....	\$.....	All.....	.....
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended	All.....	.....
(c) Obligations of United States issued on or before September 1, 1917	All.....	.....
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941	All.....	.....
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941	\$5,000	\$.....
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941	None	.....
(g) Dividends on share accounts in Federal savings and loan associations
(A) Total (enter as item 4 (a), page 1)

(f) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest on item 4 (f), page 1)	Amount owned at end of year	Interest received or accrued during the year (subject to normal tax and surtax)
.....	\$.....	\$.....

Schedule B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)

1. Kind of property	2. Amount	3. Depreciation or depletion (attach schedule)	4. Repairs (explain below)	5. Other expenses (explain below)	6. Net profit (columns 2 minus sum of columns 3, 4, and 5 (enter on item 5, page 1))
.....	\$.....	\$.....	\$.....	\$.....	\$.....

Explanation of deductions claimed in columns 4 and 5:

Schedule C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
.....	\$.....	\$.....

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 20 AND 21. (See Instructions 20 and 21)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in which claimed	Credit claimed	Name of dependent and relationship	Number of months during the year Under 18 years old 18 years or over	Credit claimed
Single, or married and not living with husband or wife, and not head of family	.....	\$.....	.....	.....	\$.....
Married and living with husband or wife	12	900.00	.....	.....	.....
Head of family (explain below)	.....	.....	.....	.....	.....
\$800.00 balance of personal exemption claimed by husband, C. A. Van Dusen			Reason for support if 18 years or over		

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(1) If your net income is \$9,000 or less, use only this part of schedule	(2) If your net income is more than \$9,000, use only this part of schedule
Net income (Item 18, page 1)	Earned net income (not more than \$14,000)
\$.....	\$ 14,000.00
Earned income credit (10% of net income, above)	Net income (Item 18, page 1)
.....	57,982.08
.....	Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)
.....	1,400.00

QUESTIONS

- State your principal occupation or profession Housewife
- Name and address of employer
- Did you file a return for any prior year? Yes. If so, what was the latest year? 1940. To which Collector's office was it sent? Los Angeles, Calif.
- If separate return was made for the current year, state:
 - Name of husband or wife C. A. Van Dusen
 - Principal occupation, if any, claimed thereon 800.00
 - Collector's office to which it was sent Los Angeles, Cal.
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis.
- If return on cash basis, do you elect, under section 41, to include or exclude received in the current year the increase for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? No. If so, attach statement listing obligations owned and computation of the accrued interest. Report such income as interest in item 5 or 4, page 1, whichever applicable.
- Did you receive during the taxable year any substantial income other than interest reported in Schedule A (see Instruction G)? No. If so, attach schedule showing source, nature, and amount of such income.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? No. If so, attach statement required by Instruction J.

H-2



DETACH PAGES 3 AND 4 IF NOT USED

Page 2

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain on Schedule J)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Per centage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$		100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		66 2/3	\$
								66 2/3	
								66 2/3	
								66 2/3	

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS

			\$	\$	\$	\$		50	
								50	
								50	
								50	

Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)

SUMMARY OF NET CAPITAL GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and common trust funds		5. Total net gain or loss to be taken into account on columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter on item 7 (c), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 7)
2. Total net long-term capital gain or loss (enter on item 7 (d), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

COMPUTATION OF ALTERNATIVE TAX

Use only: If you had a net long-term capital gain, and item 22, page 1, exceeds \$12,000, or

If you had a net long-term capital loss, and such loss plus item 22, page 1, exceeds \$12,000

1. Net income (item 16, page 1). (See Instruction 7)	\$ 57,962.05	10. Normal tax (4% of line 9)	\$ 1,805.93
2. (a) Net long-term capital gain (item 7 (f), page 1)	\$ 210,513.85	11. Surtax on line 6. (See Instruction 27)	\$ 17,481.51
(b) Net long-term capital loss (item 7 (f), page 1)		12. Partial tax (line 10 plus line 11)	\$ 19,287.44
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 7)	\$ 47,448.20	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	\$ 3,154.00
4. Less: Personal exemptions. (From Schedule D-1)	\$ 900.00	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule D-2)	900.00	14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$ 22,441.60
6. Balance (surtax net income)	\$ 46,548.20	15. Total normal tax and surtax (item 28, page 1)	\$ 25,631.85
7. Less: Item 4 (a), page 1	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lower; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter on item 29, page 1)	\$ 22,441.60
8. Earned income credit. (From Schedule E-1 or E-2. (See last 7))	\$ 2,400.00		
9. Balance subject to normal tax	\$ 45,148.20		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 7)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain on Schedule J)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	
Total net gain (or loss) (enter on item 7 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page:

If any of such items were acquired by you other than by purchase, explain fully how acquired:

• Remaining half Net long-term capital gain claimed by husband, C. A. Van Dusen



Schedule H.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 8)

(State (1) nature of business _____; (2) number of places of business _____; (3) business name and address if different from name and address on page 1 _____)

1. Total receipts _____ \$

COST OF GOODS SOLD

(To be used where inventories are an income-determining factor)

2. Inventory at beginning of year _____ \$
 3. Merchandise bought for sale _____
 4. Labor _____
 5. Material and supplies _____
 6. Other costs (specify below) _____
 7. Total of lines 2 to 6 _____ \$
 8. Less inventory at end of year _____
 9. Net cost of goods sold (line 7 minus line 8) _____ \$
 10. Gross profit (line 1 minus line 9) _____ \$

OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself) _____ \$
 12. Interest on business indebtedness _____
 13. Taxes on business and business property _____
 14. Losses (explain below) _____
 15. Bad debts arising from sales or services _____
 16. Depreciation, obsolescence, and depletion (explain in Schedule J) _____
 17. Rent, repairs, and other expenses (specify below or on separate sheet) _____
 18. Total of lines 11 to 17 _____ \$
 19. Total of lines 9 and 18 _____ \$
 20. Net profit (or loss) (line 1 minus line 19) (enter as item 8, page 1) _____ \$

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C," "C or M," or "M" on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17 _____

Schedule I.—INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

INCOME (OR LOSS) FROM PARTNERSHIPS, SYNDICATES, ETC. (SEE INSTRUCTION 9 (a)) (FURNISH NAMES AND ADDRESSES)

\$ _____
 \$ _____

INCOME FROM FIDUCIARIES (FURNISH NAMES AND ADDRESSES)

\$ _____
 \$ _____

INCOME FROM OTHER SOURCES (STATE NATURE)

\$ _____
 \$ _____

Total amounts in Schedule I. (Enter as item 9, page 1) _____ \$

Schedule J.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H

1. Kind of property (if buildings, state number of which constructed)	2. Date acquired	3. Cost or other basis (Do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in computing depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$ _____	\$ _____	\$ _____	\$ _____			\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____			\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____			\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____			\$ _____

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day
 of _____, 194_____



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

H-4



LONG-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD FOR MORE THAN 24 MONTHS

1. Kind of property	2. Date acquired	3. Date sold	4. Gross sales price (contract price)	5. Cost or other basis	8. Gain or loss	9. Per-cent- age	10. Amount
---------------------	------------------	--------------	---------------------------------------	------------------------	-----------------	---------------------	------------

1) 0 shs. Consolidated Aircraft Corp.
Common Stock

100 shs.	5/29/36	7/3/41	\$30,173.79	\$5,000.00	\$25,173.79	50	\$12,586.88
100 " Same	7/1/36	"	30,361.22	20,703.15	9,658.07	50	4,829.04
100 " "	2/2/37	"					
200 shs. same	3/9/37	12/22/41	8,223.56	1,000.00	7,223.56	50	3,611.78
200 " "	4/30/37						\$21,027.70

Total net long-term capital gain or loss

\$42,055.42

\$21,027.70

H-5



UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1941

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2668 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE C
EXPLANATION OF DEDUCTIONS CLAIMED IN
ITEMS 11, 12, 13, and 16.

ITEM 11 - CONTRIBUTIONS:		
San Diego Community Chest	\$ 250.00	
British War Relief	<u>15.00</u>	
		\$ 265.00
ITEM 12 - INTEREST:		
Bank of America note	\$ 509.45	
Baltimore National Bank, mortgage on dwelling house	<u>750.00</u>	
		1,259.45
ITEM 13 - TAXES:		
San Diego County Personal Property Tax	\$ 73.77	
San Diego Light Post Tax	2.56	
San Diego County taxes on property at 2668 Poinsettia Drive, San Diego, Calif.	369.25	
Real property tax on property at 167 Upnor Road, Baltimore, Maryland	494.30	
California personal income tax - 1940:		
Wanda V. Van Dusen	\$310.07	
C. A. Van Dusen	<u>310.07</u>	
		620.14
Federal tax on club dues:		
LaJolla Country Club	\$ 8.24	
Guyanasa Club	7.92	
La Jolla Beach & Tennis Club	5.94	
Bankers Club of America	<u>2.25</u>	
		24.35
Federal Admission tax on amusement tickets	5.00	
Automobile license plates (4 cars)	70.23	
Transfer tax on sale of securities	<u>12.20</u>	
		1,671.80
ITEM 16 - OTHER DEDUCTIONS AUTHORIZED BY LAW:		
Membership fee - Inst. of Aeronautical Sciences	<u>10.00</u>	
	<u><u>\$3,206.25</u></u>	

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UNITED STATES
INDIVIDUAL INCOME TAX RETURN
FORM 1040
YEAR 1941

C. A. VAN DUSEN AND WANDA V. VAN DUSEN,
2608 POINSETTIA DRIVE, SAN DIEGO, CALIFORNIA

SCHEDULE A
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 1

ITEM 1 - INCOME:

Consolidated Aircraft Corp., Lindbergh Field, San Diego, Cal. - Gross Salary	\$ 31,255.00
Wreck, Lilienthal & Company - Consulting Services (Finder's Fee - Rahr Aircraft Corp., San Diego, California)	8,319.37
Aero Industries Technical Inst. - Director's fee	10.00
	<u>\$ 39,584.37</u>
Less California Unemployment Insurance tax	30.00
	<u>\$ 39,554.37</u>

SCHEDULE B
EXPLANATION OF DEDUCTIONS AND INCOME CLAIMED
IN ITEM 5

ITEM 5 - ESTATE AND REALTIES:

Northall, Inc. royalty on square shoes	\$ 4,961.32
Expenses (Column 5)	
2 trips to Los Angeles at \$20 each - (\$120.00)	
Square shoe accounting service	<u>100.00</u>
	250.00
	<u>\$ 4,711.32</u>
Rental from dwelling house at 107 Union Road, Baltimore, Maryland	\$ 1,455.00
Depreciation	<u>\$1,495.00</u>
Repairs	14.35
Maintenance tax	25.00
Legal fees	<u>27.00</u>
	<u>\$ 1,495.25</u>
	<u>1935</u>
	<u>58.25</u>
	<u>\$ 4,673.67</u>

EXPLANATION OF DEPRECIATION
COLUMN 5 OF SCHEDULE B

Kind of property	2. Year acquired	3. Cost	4. Depreciation allowed prior yrs.	5. Remaining cost	6. Estd. Life	7. Rem. Life
Dwelling house at 107 Union Road, Baltimore,	1935	\$20,500.00	\$9,540.00	\$19,960.00	20	15

Depreciation allowable this year

\$1,495.00



The Tax Court of the United States

8 T. C. No. 47

Docket Nos. 5210, 5211

WANDA V. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Promulgated February 24, 1947

FINDINGS OF FACT AND OPINION

Held, petitioner earned taxable income when, pursuant to an option given petitioner by the president of a corporation of which corporation petitioner was an employee, petitioner purchased from the president personally, at less than market price, stock of the corporation, the difference in value of the stock from market value being compensation for services rendered or to be rendered.

Raymond M. Wansley, C.P.A., and John M. Cranston, Esq., for the petitioners.

E. A. Tonjes, Esq., for the respondent.

The respondent determined deficiencies in income taxes of these petitioners as follows: [93]

Petitioner	Year	Deficiency
Wanda V. Van Dusen.....	1939	\$ 527.73
Wanda V. Van Dusen.....	1940	1,251.02
Wanda V. Van Dusen.....	1941	4,804.30
C. A. Van Dusen.....	1938	310.66
C. A. Van Dusen.....	1939	528.22
C. A. Van Dusen.....	1940	1,251.02
C. A. Van Dusen.....	1941	4,863.30

The question presented is whether petitioner C. A. Van Dusen earned income by the bargain purchase of certain stock from the president of a corporation personally, he being an employee of the corporation.

Findings of Fact

Most of the facts were stipulated, the stipulation being in substantially the following form:

C. A. Van Dusen, hereinafter sometimes called petitioner, and Wanda V. Van Dusen were husband and wife, and were residents of the State of California throughout each of the years 1938, 1939, 1940 and 1941.

On December 10, 1934, the petitioner entered the employ of Consolidated Aircraft Corporation as factory manager at a salary of \$9,000 per annum, pursuant to an oral agreement entered into on December 7, 1934.

The petitioner received salary from Consolidated Aircraft Corporation as follows:

Year	Salary
1938	\$15,205.04*
1939	16,020.08
1940	22,442.50
1941	31,255.00

The petitioner and his wife filed separate income tax returns for the calendar years 1938, 1939, 1940 and 1941.

On December 7, 1934, R. H. Fleet, president of Consolidated Aircraft Corporation, gave to the petitioner an oral option for the purchase of stock of Consolidated Aircraft Corporation, which option was reduced to writing on December 10, 1934, and was terminated by written agreement on December 31, 1941, said written option and termination being in the following words and figures:

Consolidated Aircraft Corporation
Buffalo, New York

R. H. Fleet,
President.

December 10, 1934.

Mr. Charles A. Van Dusen, (Confidential)

Dear Van:

In connection with your employment this day by our company, it gives me much pleasure to confirm my offer to sell you fifty (50) shares of my personal common stock in this corpora-

*\$8,601.01 of his salary for 1938 was exempt from taxation because received for foreign service. [94]

tion at the price of \$5 net per share each and every month for the next ten years, (unless I die or cease to be an employee of Consolidated, in which event this is modified against me or my estate to five years from this date), this right to hold, however, only so long as you are retained in the company's employ.

You are under no obligation to purchase or to hold after purchase, any such stock under this offer; failing to purchase any month you forfeit nothing but the right to buy that month's quota of 50 shares.

So that you may get prompt delivery of any shares you purchase hereunder, I will leave sufficient of my shares, in street names, properly endorsed, with the Treasurer of the company to fulfill this agreement. [95]

Until I further advise, would prefer that if you sell you do so only to or thru our brokers, Hammons & Company, 120 Broadway, New York City, (phone Rector 2-4400).

Cordially,

/s/ R. H. FLEET.

RHF-B

It is mutually agreed that the foregoing agreement is to terminate on December 31, 1941.

/s/ R. H. FLEET,

/s/ CHARLES A. VAN DUSEN.

Dated: San Diego, Cal., December 15, 1941.

On December 7, 1934, the common stock of Consolidated Aircraft Corporation sold on the New York Curb Exchange for a high of $9\frac{1}{2}$ and a low of $8\frac{7}{8}$.

The price ranges of the common stock of Consolidated Aircraft Corporation on the New York Curb Exchange for the years 1932, 1933, and 1934 were as follows:

Year	High	Low
1932	$4\frac{3}{4}$	1
1933	12	1
1934	$12\frac{7}{8}$	$6\frac{3}{8}$

The common stock of Consolidated Aircraft Corporation had a par value of \$1.00 per share, and a book value of \$3.55 per share at December 7, 1934.

There were 574,400 shares of the common stock of Consolidated outstanding on December 7, 1934, and R. H. Fleet owned 261,481 shares of the common stock on that date. [96]

The total number of shares of common and preferred stock outstanding on January 1, 1938, and December 31, 1938, December 1, 1939, December 1, 1940, and December 31, 1941, and the highest number of shares owned by R. H. Fleet during the years 1938, 1939, 1940 and 1941, were as follows:

Capital stock outstanding:	Shares Preferred	Shares Common
January 1, 1938.....	23,708	574,760
December 31, 1938.....	23,820	574,760
December 31, 1939.....	23,820	576,160
December 31, 1940.....	23,820	578,605
December 31, 1941.....	None	1,284,244

During the year 1941, 514 shares of preferred stock were retired at \$55 per share and 23,306 shares were converted into common at rate of two shares common for each share of preferred.

The stock owned by R. H. Fleet was as follows:

Year	Preferred	Common
1938	6,000	164,841
1939	6,010	164,241
1940	6,010	162,791
1941	6,010	348,822

The petitioner purchased common stock of Consolidated from R. H. Fleet, under the terms of the agreement set forth above, as follows:

Year	Shares	Market value when purchased.	Cost
1938	600	\$10,653.75	\$3,000.00
1939	750	14,484.38	3,750.00
1940	400	9,875.00	2,000.00
1941	600	18,000.00	3,000.00

At all times from December 7, 1934, to December 31, 1941, the petitioner was an employee of Consolidated Aircraft Corporation. [97]

R. H. Fleet claimed no deductions from gross income in his returns for the calendar years 1938, 1939, 1940 and 1941 for the difference between the fair market value of the common stock of Consolidated and the sale price of the common stock to petitioner, but reported as income in his returns for

said years the difference between the basis of the stock to him and the sum of \$5 per share received on the sales to petitioner.

Consolidated Aircraft Corporation claimed on its returns as deductions from gross income for the years 1938, 1939, 1940 and 1941 only the salary paid by it to the petitioner for those years and did not claim any deduction with regard to the sales of its stock by R. H. Fleet to the petitioner during those years.

From the testimony in the case we find as follows:

The option was given to petitioner by Fleet as an inducement to secure his services for Consolidated. The termination clause was inserted because a termination of employment would terminate petitioner's usefulness to Consolidated and to Fleet. The difference between the amount paid for the stock and its fair market value at the several dates of purchase was in the nature of compensation for services rendered or to be rendered by petitioner.

The Commissioner added to the income of each petitioner for the several taxable years certain amounts called "compensation for services" with the following explanation:

This represents your community half of income within the meaning of section 22 (a) of the Internal Revenue Code, received as compensation for services as a result of the purchase of Consolidated Aircraft Corporation stock from Mr. R. H. Fleet at less than its fair market value. [98]

Opinion

Van Fossan, Judge: The question here posed is whether petitioner received income under the scope of section 22 (a), Internal Revenue Code, when, pursuant to the option contract set out in the facts, he purchased stock of Consolidated from Fleet, its president.

The definition of income contained in section 22 (a) is extremely broad. In fact, it would be difficult to contrive a definition broader in scope or more all-embracing in concept. Income may be in the form of cash or of property.

The Commissioner has promulgated Regulations 103, section 19.22(a)-1 in interpretation of section 22 (a), Internal Revenue Code. In any case where the requirements laid down by the regulations are satisfied, it may properly be said that income is earned. But our question is not limited to determining whether the excess value was income under the regulations. Section 22 (a), Internal Revenue Code, is the touchstone by which income is gauged. Of section 22 (a) the Supreme Court, speaking through the Chief Justice, in *Commissioner vs. Smith*, 324 U. S. 177, has said: "Section 22 (a) of the Revenue Act is broad enough to include in taxable income any economic or financial benefit conferred on the employee as compensation, whatever the form or mode by which it is effected." (Emphasis supplied.)

Our concern centers first on the facts giving rise to the option agreement which was entered into De-

cember 7, 1934, at the same time petitioner was employed to work for Consolidated. The testimony of Fleet as [99] to the employment and the nature of the option is illuminative of his attitude toward the same. The following are excerpts:

Q. Do you recall the salary that was to be paid?

A. I think it was \$10,000.00 a year. That is '34. Let's see. I think it was \$10,000.00 a year and he to take down 50 shares of my stock a month for \$5.00 a share for the next ten years, or for ten years immediately following, conditioned upon his remaining in the employ of Consolidated Aircraft Corporation.

* * *

Q. Do you recall whether or not the matter of giving Mr. Van Dusen this option to purchase was made a part of the original proposition to him?

A. I think it was.

* * *

Q. You also felt, did you not, Mr. Fleet, that the option which you gave Mr. Van Dusen would be regarded as something of an additional inducement to enter the employ of Consolidated?

A. I think so.

* * *

Q. But the motivating influence on your part of giving this privilege was to have Mr. Van Dusen work for Consolidated, wasn't it?

A. That's right.

Fixing our attention on the option agreement

itself, it will be noted that in the opening paragraph the parties recognized in so many words the intimate relation of the option to petitioner's employment. The language used,—“In connection with your employment this day by our company, it gives me much pleasure to confirm my offer to sell you fifty (50) shares of my personal common stock” and “this right to hold, however, only so long as you are retained in the company's employ,” all speaks in terms of inducement or consideration for the employment of petitioner. [100]

Fleet was president of Consolidated and a large holder of its stock. As such he was personally and financially interested in the success and growth of the company. Petitioner was able to obtain the stock only by engaging in the employment and only so long as he remained in the employ of the company, i.e., only by performing his duties and rendering services to the company. If his employment ceased the opportunity to buy the stock also ceased. Thus it is there was a vital causal connection between petitioner's employment and his rendition of services and the purchase of the stock at favorable prices. If Fleet had agreed to pay petitioner \$100 per month so long as he remained in the employ of Consolidated there would scarcely be any basis to question the fact that such payment would have been income to petitioner. Likewise if, under otherwise similar facts, Fleet had transferred the shares each month without any payment so long as petitioner remained an employee of Consolidated, of a cer-

tainty petitioner would have received income measured by the value of the shares.

We must look at the case from the position of the petitioner. Bearing in mind the observation of the Supreme Court in *Commissioner vs. Smith*, supra, did he receive any economic or financial benefit from the exercise of the option? Was the benefit connected with, or conditioned on, rendering services and thus connected with his employment? Was the benefit a gift by Fleet? The answers seem to be obvious. Petitioner clearly benefited by exercising the option and securing the stock at less than market prices. The benefit was directly connected with, and [101] conditioned on, the rendition of services and thus depended on his employment. The benefit was not a gift by Fleet,—it was based on the consideration of petitioner entering and continuing in the employ of Consolidated. Clearly the “economic or financial benefit” gained by petitioner from the exercise of the option falls within the broad scope of the language of section 22 (a), Internal Revenue Code, as elucidated by the Supreme Court.

Whether petitioner was serving two masters or whether Fleet was acting solely for himself or as a representative of the company in the negotiations which lead to the giving of the option contract, we need not decide. The facts bring the gain within the expansive scope of section 22 (a). Each case turns on its facts. Close analysis of the facts in the decided cases, together with their chronology

with reference to Commissioner vs. Smith, *supra*, will serve to distinguish or render obsolete as authority the cases relied on by petitioner.

Reviewed by the Court.

Decision will be entered under Rule 50.

[Seal]

The Tax Court of the United States
Washington

Docket No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

DECISION

Pursuant to the report of this Court promulgated February 24, 1947, the respondent in the above-entitled proceeding filed a proposed computation of tax on March 19, 1947, and the case having been called for hearing on April 30, 1947, at which time no objection was offered by the petitioner to the respondent's computation, it is

Ordered and Decided: That there are deficiencies in income tax as follows:

Year	Deficiency
1938	\$ 310.66
1939	528.22
1940	1,251.02
1941	4,863.30

[Seal] /s/ J. E. MURDOCK,
 Judge.

Entered May 1, 1947.

In the United States Circuit Court of Appeals
for the Ninth Circuit

No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

PETITION FOR REVIEW

To the Honorable Judges of the United States Circuit Court of Appeals, for the Ninth Circuit:

Now comes C. A. Van Dusen, petitioner on review in the above-entitled proceeding, by his attorneys, John M. Cranston and James L. Chapman, and respectfully shows:

I.

Nature of the Controversy

In 1934, petitioner entered the employ of Consolidated Aircraft Corporation as Factory Manager. At the time petitioner entered the employ of Consolidated, R. H. Fleet, President of Consolidated, gave to petitioner an option for the purchase from said R. H. Fleet, of stock of Consolidated Aircraft Corporation. Said option provided that petitioner could acquire fifty (50) shares per month of Consolidated Stock owned by [104] R. H. Fleet personally for Five Dollars (\$5.00) net per share. Petitioner exercised his option and purchased stock from R. H.

Fleet in the years 1938, 1939, 1940 and 1941. The Commissioner of Internal Revenue asserted deficiencies in income tax against petitioner for said years. Said deficiencies are based on the theory that petitioner received compensation for services as a result of purchase of Consolidated Aircraft Corporation stock from R. H. Fleet at less than its fair market value. The petitioner filed an appeal from said notice of deficiencies with the Tax Court of the United States, and on February 24, 1947, the Tax Court promulgated its opinion herein and on May 1, 1947, entered its decision sustaining the deficiencies asserted by the Commissioner of Internal Revenue for the years 1938, 1939, 1940 and 1941.

II.

Jurisdiction

Petitioner seeks a review of the decision of the Tax Court of the United States in the above-entitled proceeding by the United States Circuit Court of Appeals, for the Ninth Circuit.

Petitioner is an individual and resident of the City of San Diego, State of California; petitioner filed his Federal Income Tax Returns for the years 1938, 1939, 1940 and 1941 (which are the years involved in the above-entitled proceeding) with the Collector of Internal Revenue at Los Angeles, California.

Petitioner seeks a review of the decision of the Tax Court of the United States pursuant to the provisions of Sections 1141 and 1142 of the Internal Revenue Code.

Wherefore, C. A. Van Dusen petitions that said opinion and decision of the Tax Court of the United States be reviewed by the United States Circuit Court of Appeals, for the Ninth Circuit; that a transcript of the record be prepared in [105] accordance with the law and rules of said Court and be transmitted to the Clerk of said Court for filing, and that appropriate action be taken to the end that said opinion and decision may be reviewed by said Court.

JOHN M. CRANSTON,
JAMES L. CHAPMAN,
Attorneys for C. A. Van
Dusen, Petitioner.

[Endorsed]: Filed T.C.U.S. June 20, 1947. [106]

[Title of Circuit Court of Appeals and Cause.]

NOTICE OF FILING PETITION FOR
REVIEW

To: Charles Oliphant, Acting Chief Counsel,
Bureau of Internal Revenue.

You are hereby notified that C. A. Van Dusen did, on the 20th day of June, 1947, file with the Clerk of The Tax Court of the United States, at Washington, D. C., a petition for review by the United States Circuit Court of Appeals for the Ninth Circuit, of the decision of this Court heretofore rendered in the above-entitled case. Copy of the petition for review as filed is hereto attached and served upon you.

Dated this 2nd day of July, 1947.

/s/ VICTOR S. MERSCH,
Clerk, The Tax Court of the
United States.

Service of copy of Petition for Review acknowledged this July 2, 1947.

/s/ CHARLES OLIPHANT,
Bureau of Internal Revenue,
Attorney for Respondent.

[Endorsed]: Filed T.C.U.S., July 2, 1947. [107]

[Title of Circuit Court of Appeals and Cause.]

NOTICE OF FILING PETITION
FOR REVIEW

To: Commissioner of Internal Revenue,
Washington, D. C.

You Are Hereby Notified: That C. A. Van Dusen did, on the 20th day of June, 1947, file with the Clerk of the Tax Court of the United States, at Washington, D. C., a petition for review by the United States Circuit Court of Appeals, for the Ninth Circuit, of the decision of the Tax Court heretofore rendered in the above-entitled case. A copy of the petition for review is hereto attached and served upon you.

Dated: This 25th day of June, 1947.

/s/ JOHN M. CRANSTON,

/s/ JAMES L. CHAPMAN,

Attorneys for C. A. Van

Dusen, Petitioner. [109]

[Affidavit of service by mail attached.]

[Endorsed]: Received T.C.U.S., July 7, 1947.

[Title of Circuit Court of Appeals and Cause.]

NOTICE OF FILING PETITION FOR
REVIEW

To: J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Washington, D. C.:

You Are Hereby Notified: That C. A. Van Dusen did, on the 20th day of June, 1947, file with the Clerk of the Tax Court of the United States, at Washington, D. C., a petition for review by the United States Circuit Court of Appeals, for the Ninth Circuit, of the decision of the Tax Court heretofore rendered in the above-entitled case. A copy of the petition for review is hereto attached and served upon you.

Dated: This 25th day of June, 1947.

/s/ JOHN M. CRANSTON,

/s/ JAMES L. CHAPMAN,

Attorneys for C. A. Van
Dusen, Petitioner.

[Affidavit of service by mail attached.]

[Title of Circuit Court of Appeals and Cause.]

STATEMENT OF POINTS TO BE RELIED
UPON

Now Comes C. A. Van Dusen, petitioner on review in the above-entitled cause, by and through his attorneys John M. Cranston and James L. Chapman, and hereby states that he intends to rely upon the following points in this proceeding:

That the Tax Court of the United States erred:

1. In holding and deciding that the difference between the amount paid for the stock and its fair market value at the time the option for purchase was exercised constituted or was in the nature of compensation for services rendered, or to be rendered, by C. A. Van Dusen;

2. In holding that the difference between the amount paid for the stock and its fair market value at the time the option for purchase was exercised constituted or was income, one-half of which was chargeable to petitioner; [112]

3. In determining what constitutes taxable income by reference to the provisions of the Internal Revenue Code alone, without considering regulations promulgated by the Commissioner of Internal Revenue and the effect of such regulations upon sections of the code which are subsequently re-enacted;

4. In holding that it is immaterial whether C. A. Van Dusen was an employee of R. H. Fleet;

5. In failing to hold that no income was received by either C. A. Van Dusen or Wanda V. Van Dusen from the exercise of the option for the purchase of stock.

/s/ JAMES L. CHAPMAN,

/s/ JOHN M. CRANSTON,

Attorneys for C. A. Van
Dusen, Petitioner.

[Endorsed]: Received and filed T.C.U.S., July
14, 1947. [113]

[Title of Circuit Court of Appeals and Cause.]

DESIGNATION OF PORTIONS OF RECORD,
PROCEEDINGS AND EVIDENCE TO BE
CONTAINED IN RECORD ON REVIEW

To the Clerk of the Tax Court of the United States:

You will please prepare, transmit and deliver to the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, copies duly certified as correct of the following documents and records in the above-entitled cause in connection with the petition for review by the said Circuit Court of Appeals for the Ninth Circuit, heretofore filed by petitioner above named:

1. Docket entries of proceedings before the Tax Court;
2. Pleadings before the Tax Court:
 - (a) Petition;
 - (b) Answer;

3. Stipulation of Facts filed with the Tax Court;
4. Opinion of the Tax Court promulgated February 24, 1947; [114]
5. Decision of the Tax Court entered May 1, 1947;
6. Petition for Review, together with Proof of Service of notice of filing petition for review and of service of copy of petition for review;
7. Statement of points to be relied upon;
8. Any and all orders made by the Court with respect to enlargement of time for the preparation and transmission of the record on review;
9. This designation of portions of records, proceedings and evidence to be contained in the record on review.

Said transcript to be prepared, certified and transmitted as required by law and the rules of the United States Circuit Court of Appeals for the Ninth Circuit.

JAMES L. CHAPMAN,

JOHN M. CRANSTON,

Attorneys for C. A. Van
Dusen, Petitioner.

[Endorsed]: Received and filed July 14, 1947.

The Tax Court of the United States
Washington

Docket No. 5211

C. A. VAN DUSEN,

Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CERTIFICATE

I, Victor S. Mersch, clerk of The Tax Court of the United States, do hereby certify that the foregoing pages, 1 to 115, inclusive, contain and are a true copy of the transcript of record, papers, and proceedings on file and of record in my office as called for by the Praecipe in the appeal (or appeals) as above numbered and entitled.

In testimony whereof, I hereunto set my hand and affix the seal of The Tax Court of the United States, at Washington, in the District of Columbia, this 25th day of July, 1947.

[Seal] /s/ VICTOR S. MERSCH,

Clerk, The Tax Court of the
United States.

[Endorsed]: No. 11699. United States Circuit Court of Appeals for the Ninth Circuit. C. A. Van Dusen, Petitioner, vs. Commissioner of Internal Revenue, Respondent. Transcript of the Record. Upon Petition to Review a Decision of The Tax Court of the United States.

Filed July 29, 1947.

/s/ PAUL P. O'BRIEN,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit